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Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1994

PAPETTI'S HYGRADE EGG PRODUCTS, INC.,

Petitioner,

—v.—

MICHAEL FOODS, INC. and NORTH CAROLINA STATE UNIVERSITY,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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December 14, 1994

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137 pp

QUESTIONS PRESENTED

1. Whether, in a patent infringement case, summary judgment may be granted by imposing on petitioner at the pre-trial stage the ultimate burden of proving by clear and convincing evidence that respondents' patents are invalid, unenforceable, or both where application of that burden is in direct conflict with this Court's and the Federal Circuit's decisions and where failure to apply the correct standard will result in anticompetitive protection for potentially invalid and unenforceable patents?

2. Whether the district court and appellate court violated this Court's standards under Rule 56(c), F.R.Civ.P., by requiring petitioner to meet its ultimate trial burden of proof to defeat respondents' summary judgment motion to dismiss petitioner's counterclaims simply because petitioner had cross-moved for partial summary judgment on some aspects of its counterclaims?

RULE 29.1 STATEMENT

Petitioner Papetti's Hygrade Egg Products, Inc. was the defendant-appellant below and has no parent companies or subsidiaries.

Respondents Michael Foods, Inc. and North Carolina State University were the plaintiffs-appellees below. Michael Foods, Inc. has an affiliate, North Star Universal, Inc., that has issued shares to the public. North Carolina State University has no parent companies or subsidiaries.

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In The
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1994

Papetti's Hygrade Egg Products, Inc.,
Petitioner,
v.
Michael Foods, Inc. and
North Carolina State University,
Respondents.

PETITION FOR WRIT OF CERTIORARI

Petitioner Papetti's Hygrade Egg Products, Inc. ("Papetti's") respectfully requests that a Writ of Certiorari issue to review the decision of the United States Court of Appeals for the Federal Circuit entered on July 20, 1994 affirming the judgment and decisions of the United States District Court for the District of New Jersey granting summary judgment for respondents Michael Foods, Inc. and North Carolina State University (collectively, "Michael").

OPINIONS BELOW

The United States District Court for the District of New Jersey (The Honorable Maryanne Trump Barry) issued an "Amended Final Judgment Except for Accounting" on September 21, 1993. (54a-57a) The District Court based that final judgment on two prior opinions, entered November 10, 1992 (8a-33a) and July 12, 1993 (34a-53a), in which the District Court granted Michael's summary judgment motions and denied Papetti's summary judgment cross-motions. The District Court's judgment and opinions are unpublished.

The Court of Appeals for the Federal Circuit affirmed the District Court's judgment in a six-page, unpublished opinion. (1a-6a) The Federal Circuit designated its opinion as "not citable as precedent" under Federal Circuit Rule 47.6. (1a; 64a)

STATEMENT OF JURISDICTION

The Federal Circuit's opinion was entered on July 20, 1994. (1a) The Federal Circuit denied Papetti's timely petition for rehearing and suggestion for rehearing in banc on September 15, 1994. (7a) This Court has jurisdiction under 28 U.S.C. § 1254(1).

RULE INVOLVED IN THE CASE

"Rule 56. Summary Judgment

* * *

"(c) **Motion and Proceedings Thereon.** ... The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Rule 56(c), F.R.Civ.P.

STATEMENT OF THE CASE

The core issue before this Court in this patent case arises from the new and improper legal standard under Rule 56, F.R.Civ.P., that the District Court and the Federal Circuit imposed on Papetti's. Under this new standard, the lower courts required Papetti's to meet its ultimate trial burden of proof and "establish" by clear and convincing

evidence that Michael's patents are invalid, unenforceable, or both to defeat Michael's summary judgment motions.

A. The District Court Proceedings

Michael sued Papetti's for infringement of four closely related patents. The patents, which are identical except for the claims, are directed to a process for treating liquid whole egg products by what Michael calls "ultra-pasteurization" (heating eggs to higher than normal temperatures for longer times) while subjecting the eggs to turbulence, followed by aseptic packaging. The claimed processes produce liquid whole egg products having an extended shelf life of between 4 and 36 weeks. (9a-15a) The District Court had jurisdiction under 28 U.S.C. §§ 1331, 1332, 1338(a).

After two years of discovery, Michael moved for summary judgment of infringement of four "representative" claims from three of the patents-in-suit. Papetti's cross-moved for summary judgment of noninfringement. (8a)

Michael also moved for summary judgment to dismiss Papetti's counterclaim that Michael's patents were unenforceable. (8a) Papetti's counterclaim asserted that Michael had violated 37 C.F.R. § 1.56 by intentionally misrepresenting material facts and withholding material publications ("prior art") from the Patent and Trademark Office during its consideration of Michael's patent applications. (8a)[1] Papetti's opposed Michael's motion on

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[1] Michael had a duty of candor and good faith in dealing with the Patent Office. 37 C.F.R. § 1.56. (61a) The two prerequisites to establish the defense of unenforceability due to inequitable conduct are: (1) materiality of the misrepresentation or withheld prior art and (2) an intent to deceive. *Kingsdown Medical Consultants, Ltd.* v. *Hollister*

(continued...)

unenforceability and cross-moved for partial summary judgment of invalidity of one of the four asserted patent claims and related unasserted patent claims. (8a)

In its November 10, 1992 Opinion (8a-33a), the District Court (1) granted Michael's motion for summary judgment of infringement of the four "representative" patent claims, (2) denied Michael's motion for summary judgment to dismiss Papetti's counterclaim of unenforceability of the patents-in-suit, (3) denied Papetti's motion for summary judgment of noninfringement, and (4) denied Papetti's motion for summary judgment of invalidity of certain claims of the patents-in-suit.

Five months later, Michael moved for summary judgment to dismiss Papetti's invalidity and unenforceability counterclaims in their entirety. (34a) Michael based its renewed motion principally on actions taken by the Patent Office on Michael's application to reissue one of the patents-in-suit.[2] (35a-36a) Some of the claims in the reissue application included the step of subjecting the liquid whole egg to turbulence during "ultrapasteurization." Some did not.

During reissue, the patent examiner rejected as unpatentable all of the claims that did not include the "turbulence" step based on prior art publications that

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[1](...continued)
Inc., 863 F.2d 867, 872 (Fed. Cir. 1988) (*in banc, in part*) (*citing J.P. Stevens & Co., Inc.* v. *Lex Tex Ltd., Inc.*, 747 F.2d 1553, 1559 (Fed. Cir. 1984)).

[2] Under 35 U.S.C.§ 251, a patent owner may request the Patent Office to reissue its patent in a modified form. (60a) The Patent Office examines the reissue application under the same guidelines as it uses in reviewing original patent applications. 35 U.S.C.§ 251 (60a); 37 C.F.R. § 1.176 (62a). Michael filed the reissue application during this lawsuit.

Michael had withheld during prosecution of the original applications for each of the four patents-in-suit. In response to the patent examiner's rejection, Michael added the "turbulence" limitation to all of the reissue claims. Only then did the examiner find the claims patentable. Thus, it was only the recitation of "turbulence" that saved any of Michael's claims from final rejection.[3]

Papetti's opposed Michael's motion and again cross-moved for partial summary judgment that one of the four asserted patent claims was invalid. Papetti's also requested the District Court to rule that the prior art publications Michael withheld from the Patent Office and the patent examiner relied on during reissue to reject Michael's non-turbulence patent claims were material. (34a)[4]

In its July 12, 1993 Opinion (34a-53a), the District Court (1) granted Michael's motion for summary judgment to dismiss Papetti's counterclaims of invalidity and unenforceability of the patents-in-suit, (2) denied Papetti's cross-motion for summary judgment of invalidity of certain claims of the patents-in-suit, and (3) refused to issue a

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[3] And this was only because Michael withheld from the Examiner the fact, admitted in this litigation by one of Michael's inventors, that turbulence is inherent in conventional pasteurization equipment such as is disclosed in the withheld prior art publications (*see infra*, pp. 23-24).

[4] Because the standard for materiality of withheld prior art is whether a reasonable patent examiner would have considered the prior art to be important in deciding whether to issue the patents (*see* 37 C.F.R. § 1.56 (61a) and *supra*, p. 3 n.1), Papetti's argued that the reissue examiner's final rejection of the non-turbulence patent claims based on the withheld prior art established the materiality of that prior art as a matter of law (*see infra*, pp. 24-25). The District Court ruled that Papetti's had not shown the prior art was material because, among other reasons, the reissue examiner's rejection was based on a combination of the prior art and an "admission" in Michael's patent about what the prior art teaches, rather than prior art alone. (51a)

ruling, as Papetti's requested, of the materiality of the prior art Michael withheld from the patent examiner during the application process for the patents-in-suit and that the patent examiner later relied on to reject Michael's patent claims during reissue.

The District Court stated that its duty in ruling on Michael's summary judgment motion was to determine "whether ... [Papetti's] has *sustained its burden of proving invalidity*." (38a; emphasis added) Under this new standard, the District Court required Papetti's to prove affirmatively at the pre-trial stage that Michael's patents are invalid to defeat Michael's summary judgment motion. The District Court concluded that Papetti's did not meet its "burden of showing by clear and convincing evidence that the patents in suit, which are presumed valid, are invalid ...." (49a) Based on its new legal standard, the District Court granted Michael's summary judgment motion and denied Papetti's cross-motion.

B. The Appeal To The Federal Circuit

The Federal Circuit affirmed the District Court's judgment in a six-page, unpublished, non-precedential opinion on July 20, 1994. (1a-6a)

In recognizing that the District Court had imposed a trial burden of proof on Papetti's, the Federal Circuit explained that the District Court "held that the record evidence was *insufficient to establish by clear and convincing evidence* that the claims at issue were invalid" or "that Michael had engaged in inequitable conduct before the [Patent Office]." (5a; emphasis added) The Federal Circuit then placed the same, improper burden of proof on Papetti's -- to prove its counterclaims of invalidity and unenforceability of each of the patents-in-suit -- to defeat Michael's summary judgment motion:

> "We have reviewed the record and conclude that the district court properly determined that Papetti failed to make a showing *sufficient to sustain its burden of establishing by clear and convincing evidence* that the patents were either invalid or unenforceable for inequitable conduct." (5a-6a; emphasis added)

Consistent with its stated policy that a "suggestion for rehearing in banc is rarely appropriate if the appeal was the subject of a nonprecedential disposition by the panel of judges that heard it" (Rule 35, Practice Note, Fed.Cir.R. (63a)), the Federal Circuit denied Papetti's petition for rehearing and suggestion for rehearing in banc. (7a)

C. The Patent Office's Further Proceedings

On August 31, 1994, the Patent Office, in a further reissue proceeding on one of the patents-in-suit, held unpatentable two of the very claims the District Court and the Federal Circuit sustained on summary judgment by their erroneous burden of proof. (96a-98a) And the Patent Office did so based upon the very same prior art that Michael had withheld from the Patent Office during the application process for the patents-in-suit and that the District Court and the Federal Circuit ignored in holding the patents valid on summary judgment.

REASONS FOR GRANTING THE WRIT

This case raises significant issues of public policy that are fundamental to the conduct of litigation, warranting review by this Court. This case also presents an unresolved intra-Circuit conflict within the Federal Circuit.

The lower courts in this case applied a new, improper standard for the burden of proof on summary judgment that is in direct conflict with this Court's precedents and the Federal Circuit's own published precedents. These conflicts create paramount public policy implications warranting the exercise of this Court's supervisory power. Permitting the Federal Circuit to selectively apply different burdens of proof to parties opposing summary judgment wreaks havoc with a primary reason for the creation of the Federal Circuit -- uniformity in patent law.[5] Selective application of these standards is most egregious when it is done simply because the opponent cross-moves for summary judgment.

The impact of this new standard on patent litigants is particularly severe because of the chilling effect it will have on innovation and competitiveness (both of which are fostered by consistency in patent law). The new standard creates a procedural weapon that will encourage patent owners, armed with questionable or non-meritorious patents, to initiate litigation and quickly move for summary judgment, knowing that an opponent might well be required to meet the trial burden and *prove* its case by clear and convincing evidence at the pre-trial stage to defeat the patent

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[5] The House Report recommending creation of the Federal Circuit explained the importance to the public of uniformity in patent law:

> "[T]he uniformity in the law that will result from the centralization of patent appeals in a single court will be a significant improvement from the standpoint of the industries and businesses that rely on the patent system. Business planning becomes easier as more stable and predictable patent law is introduced. Patents have served as a stimulus to the innovative process. This can have important positive ramifications for the nation's economy."

H. Rep. No. 97-312, 97th Cong., 1st Sess. (1981), *reprinted in* 6A D. Chisum, *Patents*, App. 26-9 (1994); *see also* S. Rep. 97-275, 97th Cong., 1st Sess. 6 (1981), *reprinted in* 1982 U.S.C.C.A.N. (Legis. History, P.L. 97-164) 161.

owner's summary judgment motion (depending on which Federal Circuit standard the courts decide to apply in a given instance).

The potential for vexatious litigation abounds. For potential defendants, the new standard also creates a chilling effect on parties who might otherwise consider undertaking the expense of defending against, and ultimately having declared invalid or unenforceable, non-meritorious patents.[6] The result is that patents unworthy of protection will be maintained while innovation and competition are stifled, all at the public's expense.[7]

These policy considerations are particularly pertinent here, where a patent examiner on reissue has rejected as unpatentable over prior art not before the Patent Office during prosecution of the original patents-in-suit some of the very same patent claims Michael asserted and the District Court and the Federal Circuit sustained in this

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[6] These results are the opposite of what Congress intended when it created the Federal Circuit. H. Rep. No. 97-312, 97th Cong., 1st Sess. (1981), *reprinted in* 6A D. Chisum, *Patents*, App. 26-8 to 26-9 (1994) (noting that uniformity in patent law will result in "a more predictable outcome [which] will encourage the contestants to avoid litigation").

[7] Strikingly applicable to the present case are the remarks of Anne K. Bingaman, Assistant Attorney General, United States Department of Justice, Antitrust Division, "Antitrust, Innovation and Intellectual Property," before the Program on Antitrust and Intellectual Property, Stanford Law School, at 6 (October 7, 1994):

> "The awarding of patent-like protection in the absence of adequate showing of novelty and non-obviousness, ... can harm without serving the interest of rewarding innovation. More important, *inappropriate patent protection* can stand in the way of subsequent innovation by blocking further developments, eliminating the incentives of subsequent innovators to engage in such innovation and raising the costs and risks of R & D generally." (Emphasis added.)

litigation. (96a-98a) Moreover, the reissue examiner rejected Michael's patent claims with full knowledge of both the District Court and the Federal Circuit decisions.

This case is a testament to the abuses inherent in the improper standards for summary judgment applied by the courts below.

I. Certiorari Should Be Granted To Review The Lower Courts' Unwarranted New Standard Because That Standard Is In Direct Conflict With This Court's Controlling Standards For Ruling On Summary Judgment Motions

In finding for Michael on summary judgment, the Federal Circuit and District Court erred as a matter of law by requiring Papetti's, in order to defeat Michael's motion, to meet its ultimate trial burden of proof and establish by clear and convincing evidence that Michael's patents are invalid, unenforceable, or both. The Federal Circuit and District Court thereby applied the wrong standard under Rule 56(c), F.R.Civ.P., and ignored this Court's precedents as well as the Federal Circuit's prior decisions that properly follow those precedents. Indeed, by disregarding its own precedents, the Federal Circuit created an intra-Circuit conflict which cries out for this Court's review.[8] The

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[8] Because the Federal Circuit has exclusive jurisdiction over cases arising under the patent laws (28 U.S.C. § 1295 (58a); 28 U.S.C. § 1338(a) (59a)), no inter-Circuit conflict is possible. Nevertheless, the Federal Circuit's action here calls for this Court's review because the Federal Circuit "so far departed from the accepted and usual course of judicial proceedings" and "sanctioned such a departure by a lower court." Sup.Ct.R. 10.1(a). This Court previously reviewed a decision of the Federal Circuit because of the Federal Circuit's departure from the Federal Rules of Civil Procedure. *See Dennison Mfg. Co.* v. *Panduit Corp.*, 475 U.S. 809 (1986) (*per curiam*).

(continued...)

Federal Circuit maintained this conflict when it denied Papetti's petition for rehearing.

The Federal Circuit's and District Court's requirement that Papetti's meet its ultimate trial burden of proof in the context of summary judgment conflicts with this Court's precedents defining the proper burden of proof under Rule 56(c). *See Celotex Corp.* v. *Catrett*, 477 U.S. 317 (1986); *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242 (1986); *Matsushita Elec. Industrial Co., Ltd* v. *Zenith Radio Corp.*, 475 U.S. 574 (1986); *Adickes* v. *S.H. Kress & Co.*, 398 U.S. 144 (1970); *First Nat. Bank of Arizona* v. *Cities Service*, 391 U.S. 253 (1968); and *United States* v. *Diebold, Inc.*, 369 U.S. 654 (1962) (*per curiam*).

The Federal Circuit and the District Court failed to perform the proper analysis required under Rule 56(c) to determine (1) whether Michael met its burden of "show[ing] that there is no genuine issue as to any material fact" and, if so, (2) whether Papetti's had tendered sufficient evidence in opposing the motion such that a reasonable jury *could* find invalidity or unenforceability by clear and convincing evidence at a subsequent trial. These failures fatally tainted the District Court's summary judgment grant and the Federal Circuit's affirmance.

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[8](...continued)

Moreover, review is necessary because the Federal Circuit's action is directly contrary to one of the purposes for the court's existence -- uniformity in patent law. *See* H. Rep. No. 97-312, 97th Cong., 1st Sess. (1981), *reprinted in* 6A D. Chisum, *Patents* App. 26-6 to 26-9 (1994). Errors by the Federal Circuit such as occurred here are particularly troublesome given that the Federal Circuit is, in effect, the court of last resort for all patent cases. *See Id.* at App. 26-8 ("The infrequency of Supreme Court review of patent cases leaves the present judicial system without any effective means of assuring even-handedness nationwide in the administration of the patent laws.").

A. Michael Had The Initial And Ultimate Burden Of Proof On Its Summary Judgment Motion

Under Rule 56(c), the movant has the initial burden to show "the absence of a genuine issue concerning any material fact." *Adickes* v. *S.H. Kress & Co.*, 398 U.S. 144, 159 (1970). Even where the opponent will bear the burden of proof at trial (as here), the movant "always bears the initial responsibility of informing the district court of the basis for its motion, and identifying those portions of [the record] which it believes demonstrate the absence of a genuine issue of material fact." *Celotex Corp.* v. *Catrett*, 477 U.S. 317, 323 (1986).[9]

If the movant fails to make a prima facie showing that there are no genuine issues of material fact, the motion must be denied. *Adickes*, 398 U.S. at 160. Even if the movant makes a sufficient initial showing, that does not end the analysis. The burden of going forward then shifts to the opponent to demonstrate the existence of genuine issues of material fact. *See Matsushita Elec. Industrial Co., Ltd.* v. *Zenith Radio Corp.*, 475 U.S. 574, 585-86 & n.10 (1986); *First Nat. Bank of Arizona* v. *Cities Service*, 391 U.S. 253, 289 (1968).

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[9] When the opponent will bear the burden of proof at trial, the only difference from any other summary judgment motion is that the movant's initial burden "may be discharged by 'showing' -- that is, pointing out to the district court -- that there is an absence of evidence to support the nonmoving party's case." *Celotex Corp.*, 477 U.S. at 325.

B. Although The Burden Of Going Forward May Shift On Summary Judgment, Cross-Movants/Opponents Such As Papetti's Are Not Required To Prove Their Case To Defeat A Summary Judgment Motion

Even if the movant makes a prima facie showing and the burden of going forward shifts to the opponent, the opponent still need not *prove* its case. The opponent need only show that there is a genuine issue requiring a trial for its resolution. This Court explained the analysis to be used in *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986):

> "The inquiry performed is the threshold inquiry of determining whether there is the need for a trial -- whether, in other words, there are any genuine factual issues that properly can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party."

To the same effect is this Court's decision in *First Nat. Bank of Arizona* v. *Cities Service*, 391 U.S. 253, 288-89 (1968):

> "[T]he issue of material fact required by Rule 56(c) to be present to entitle a party to proceed to trial *is not required to be resolved conclusively in favor of the party asserting its existence*; rather, all that is required is that sufficient evidence supporting the claimed factual dispute be shown to require a jury or judge to resolve the parties' differing versions of the truth at trial." (Emphasis added.)

The same standards apply even when the opponent will bear the ultimate burden of proof at trial. Once the movant meets its initial burden, the opponent then must present

sufficient evidence to show that there is a genuine issue for trial. *Celotex Corp.*, 477 U.S. at 322; *Matsushita*, 475 U.S. at 586-87. No decision of this Court requires the opponent to prove its case to defeat the summary judgment motion.[10]

Indeed, this Court has cautioned that lower courts may not act in place of the jury by weighing the evidence to determine if the opponent *proved* its case by clear and convincing evidence in opposing a summary judgment motion. *See Anderson*, 477 U.S. at 249 ("[A]t the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial.").

The issue is not what *would* a jury find, but rather whether based on all of the evidence, and drawing all reasonable inferences and viewing the evidence in the light most favorable to the opponent, a jury *could* reasonably find for either party. *Anderson*, 477 U.S. at 255 (*citing Adickes*, 398 U.S. at 158-59); *Matsushita*, 475 U.S. at 587 ("Where the record taken as a whole could not lead a rational trier of fact to find for the non-moving party, there is no genuine issue for trial.'" (*quoting First Nat. Bank*, 391 U.S. at 289)); *United States* v. *Diebold, Inc.*, 369 U.S. 654, 655 (1962) (*per curiam*) ("On summary judgment the inferences to be drawn from the underlying facts contained in [the

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[10] The *Celotex* Court found summary judgment proper because there was "*a complete failure of proof* concerning an essential element of the nonmoving party's case," that is, there was no evidence "that the decedent had been exposed to petitioner's asbestos products." *Celotex Corp.*, 477 U.S. at 323, 319 (emphasis added). Here, Papetti's presented evidence on the invalidity of the patent claims at issue in its cross-motion (*infra*, pp. 23-24) and of the materiality of the references that Michael withheld from the Patent Office (*infra*, pp. 24-25). A finding that Papetti's had "a complete failure of proof" on these issues would be clearly erroneous, if not plain error.

moving party's] materials must be viewed in the light most favorable to the party opposing the motion.").

Although it failed to do so here, the Federal Circuit has applied these same standards in its published, precedential decisions.

C. The Federal Circuit Ignored Its Own Precedents, Which Do Not Require The Opponent To Prove Its Case To Defeat Summary Judgment, And Thereby Created An Intra-Circuit Conflict

In its non-precedential, unpublished opinion in this case, the Federal Circuit misapplied the Supreme Court's standards on the allocation of the burden of proof under Rule 56(c) and violated its own precedents that properly allocate the burden of proof on summary judgment.[11]

The Federal Circuit's approach here is in sharp contrast to the analysis set forth in its published, precedential opinions, which have correctly recited and applied this Court's summary judgment standards. The conflict between the Federal Circuit's approach in this case and the Federal Circuit's approach in its prior decisions creates an intra-Circuit conflict. Because one of the primary reasons for the creation of the Federal Circuit's exclusive jurisdiction over patent cases was to ensure uniformity in

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[11] The effect of the Federal Circuit issuing decisions as unpublished and "non-precedential" under its Rule 47.6 (as was done here) is that those opinions are shielded from scrutiny by the entire court before and after the opinions issue. Before non-precedential opinions issue, there is no requirement in the Federal Circuit's rules that those decisions be circulated to all active and senior judges for comment. There is such a requirement for precedential decisions. Rule 35, Practice Note, Fed.Cir.R. (63a) And after non-precedential decisions issue, the Federal Circuit warns that there is little chance for a rehearing in banc: "A suggestion for rehearing in banc is rarely appropriate ...." *Id.*

patent law,[12] Papetti's submits that this Court should exercise its supervisory review power to ensure that the Federal Circuit consistently follows this Court's precedents on the standards under Rule 56(c).

One example of the Federal Circuit's proper application of this Court's summary judgment standards in a published Federal Circuit opinion is *Scripps Clinic & Research Fdn.* v. *Genentech, Inc.*, 927 F.2d 1565 (Fed. Cir. 1991). In *Scripps Clinic*, both parties moved and cross-moved for summary judgment on numerous issues, including invalidity and unenforceability. *Scripps Clinic*, 927 F.2d at 1568, 1571, 1576. On appeal, the Federal Circuit properly explained the burdens on summary judgment:

> "The burden of establishing entitlement to summary disposition is with the movant .... When a sufficiently supported motion has been submitted, the burden of coming forward and showing that there is a genuine issue of material fact shifts to the non-movant." *Scripps Clinic*, 927 F.2d at 1571.

The *Scripps Clinic* Court further explained that in order to make its showing, the opponent/cross-movant need only prove that a jury *could* (not *would*) find in its favor:

> "A factual question is material if a reasonable jury *could* return a verdict for the non-moving party based at least in part on its determination of the

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[12] "The new Court of Appeals for the Federal Circuit will provide a nationwide uniformity in patent law, will make the rules applied in patent litigation more predictable and will eliminate the expensive, time-consuming and unseemly forum-shopping that characterizes litigation in the field." *See* H. Rep. No. 97-312, 97th Cong., 1st Sess. (1981), *reprinted in* 6A D. Chisum, *Patents* App. 26-6 (1994).

> factual question. ... In determining whether there is a genuine issue of material fact, the evidence must be viewed in the light most favorable to the opponent of the motion, ... and doubts resolved in favor of the opponent." *Scripps Clinic*, 927 F.2d at 1570-71 (emphasis added).

The *Scripps Clinic* Court recognized that to defeat a summary judgment motion "'all that is required is that sufficient evidence supporting the claimed factual dispute be shown to require a jury or judge to resolve the parties' differing versions of the truth at trial.'" *Scripps Clinic*, 927 F.2d at 1571 (*quoting Anderson*, 477 U.S. at 249).[13]

The Federal Circuit's own decisions demonstrate prior adherence to this Court's precedents on summary judgment standards. The Federal Circuit diverted from that precedent here and created an intra-Circuit conflict. The unpublished, non-precedential nature of the Federal Circuit's opinion in the instant case exacerbates the court's error because it permits the Federal Circuit to stray from established precedent and then to shield its mistakes from scrutiny. *See supra*, p. 15 n.11.

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[13] Other published decisions in which the Federal Circuit applied the correct standards are: *Tone Bros., Inc.* v. *Sysco Corp.*, 28 F.3d 1192, 1196 (Fed. Cir. 1994) (whether "a reasonable fact finder could decide the question in favor of the nonmoving party"); *KeyStone Retaining Wall Systems, Inc.* v. *Westrock, Inc.*, 997 F.2d 1444, 1449 (Fed. Cir. 1993) (stating the same test as in *Tone Bros., supra*); *Olde Tyme Foods, Inc.* v. *Roundy's, Inc.*, 961 F.2d 200, 202 (Fed. Cir. 1991) (the nonmoving party "'need only present evidence from which a jury might return a verdict in [its] favor'"); *Laitram Corp.* v. *NEC Corp.*, 952 F.2d 1357, 1364 (Fed. Cir. 1991) (whether "a reasonable jury could return a verdict for the non-movant"); *Copelands' Enterprises, Inc.* v. *CNV, Inc.*, 945 F.2d 1563, 1566 (Fed. Cir. 1991) (stating the same test as in *Olde Tyme Foods, supra*).

The intra-Circuit conflict created by the Federal Circuit's opinion is contrary to the stated goal for the Federal Circuit -- promotion of uniformity in the patent laws. The Federal Circuit's error here cannot be permitted to stand given the far-reaching effects on innovation and competition.

II. Certiorari Should Be Granted To Correct The Lower Courts' Mistaken View That Because Both Parties Moved For Summary Judgment, The Court Was Compelled To Grant One Party's Motion

The Federal Circuit and the District Court imposed a trial burden of proof on Papetti's based on those courts' apparent misconception that because both parties moved for summary judgment on the same issues, no genuine issues of material fact remained and thus, one party's motion should be granted. That view is incorrect factually and improper legally.

The burden of proof on the opponent to a summary judgment motion does not change simply because that opponent is a cross-movant. The cross-movant/opponent still need only present sufficient evidence to show that a jury *could* find in its favor. The opponent/cross-movant need not prove its case (and thereby prevail on its own summary judgment motion) in order to defeat the movant's summary judgment motion.

But here, the Federal Circuit implied that there could be no genuine issues as to any material facts and that summary judgment was appropriate for one party simply because both parties had filed summary judgment motions:

> "Both parties moved for summary judgment, each ... urging the district court that there were no

> genuine disputes as to any material facts and that the court could resolve all questions as a matter of law. Accordingly, the district court entered summary judgment in favor of Michael ...." (3a)

This view is wrong on both the facts and the law.

As to the facts, Papetti's motion on invalidity was limited to *one* of the four asserted patent claims (and related unasserted claims) and Papetti's motion on unenforceability was limited to the materiality of certain prior art publications (not all issues related to Papetti's unenforceability counterclaim). (34a; *see also* 15a n.10, 27a & n.20; *supra*, pp. 3-5) Papetti's argued in its cross-motion that (1) either the facts showed that turbulence was inherent in the prior art or the facts demonstrated the existence of genuine issues of material fact (*see, e.g.*, 65a-70a; 76a-80a), and (2) either the reissue examiner's rejection of non-turbulence claims based on prior art that Michael withheld established the materiality of that prior art or it demonstrated the existence of genuine issues of material fact (*see, e.g.*, 65a, 70a-74a). Papetti's never argued in its summary judgment cross-motion to the District Court or in its appeal to the Federal Circuit that there were no genuine issues as to any material fact on *all* issues related to Papetti's counterclaims. The District Court and Federal Circuit erred in assuming so.

As to the law, the Federal Circuit's assumption that when both parties move for summary judgment, the Court must find that one party met its burden and, thus, grant one of the motions, is wrong:

> "The well-settled rule is that cross-motions for summary judgment do not warrant the court in granting summary judgment unless one of the moving parties is entitled to judgment as a matter

> of law upon facts that are not genuinely disputed." 6 James W. Moore, *et al.*, *Moore's Federal Practice* ¶ 56.13 at 56-171 (2d ed. 1994) (footnotes omitted).

There are at least two reasons for this settled rule. First, simply because one party failed to meet its burden does not mean that the other party has met its burden:

> "[The movant] has the burden of showing that the facts, which would warrant judgment in his favor under applicable substantive law principles, are indisputable. It does not follow from a party's failure to meet that burden, that his adversary has satisfied a similar burden as to the facts which would entitle the adversary to summary judgment." *Id.* at 56-175; *see also supra*, pp. 12-15.

Second, a party may make concessions for its own summary judgment motion that do not support its opponent's summary judgment motion. *See Begnaud* v. *White*, 170 F.2d 323, 327 (6th Cir. 1948) ("'The fact that both parties make motions for summary judgment, and each contends in support of his respective motion that no genuine issue of fact exists, does not require the court to rule that no fact issue exists.'" (*quoted in* 6 James W. Moore, *et al.*, *Moore's Federal Practice* ¶ 56.13 at 56-177)).

The *Begnaud* Court explained that each party's summary judgment motion must be considered on its own merits, independently of the other party's motion:

> "Appellants' concession that no genuine issue of fact existed was made in support of its own motion for summary judgment. We do not think that the concession continues over into the court's *separate consideration* of appellee's motion for

> summary judgment in his behalf after appellants' motion was overruled." *Begnaud*, 170 F.2d at 327 (emphasis added).

While ignoring this principle here, the Federal Circuit previously recognized these principles in *Scripps Clinic* (*supra*, pp. 16-17). As is the case here, both parties in *Scripps Clinic* moved for summary judgment on various issues. For example, Genentech moved for summary judgment on the issue of unenforceability of the patent-in-suit and Scripps cross-moved for partial summary judgment on the same issue. *Scripps Clinic*, 927 F.2d at 1571, 1574.

The Federal Circuit noted that "[t]he fact that both sides moved for summary judgment does not establish that there is no issue of fact and require that judgment be granted for one side or the other.'" *Scripps Clinic*, 927 F.2d at 1574 (*quoting Cram* v. *Sun Insurance Office, Ltd.*, 375 F.2d 670, 673-74 (4th Cir. 1967)).[14]

The Federal Circuit made no distinction in *Scripps Clinic* between the movant or cross-movant when it allocated the burden of proof. The Federal Circuit properly found that for each of the summary judgment motions -- whether brought by plaintiff or defendant and regardless of which party had the ultimate burden of proof at trial -- each movant had the burden of demonstrating the absence of genuine issues of material fact. The Federal Circuit did not require the cross-movant/opponent to prove its case in order to defeat summary judgment.

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[14] The Federal Circuit reversed summary judgment of unenforceability and remanded the issue for trial because the "disputed factual questions of materiality and intent, which depend on the assessment of scientific facts as well as on the credibility of witnesses, are not amendable to summary resolution." *Scripps Clinic*, 927 F.2d at 1574. The Federal Circuit's conclusion is equally applicable here.

But in the instant case, the Federal Circuit ignored its own prior decision in *Scripps Clinic*. This error demonstrates the intra-Circuit conflict that the Federal Circuit created by affirming the District Court in this case.

III. Certiorari Should Be Granted To Provide Prompt Review Of The Failure By The Federal Circuit And The District Court To View Papetti's Evidence Favorably And To Draw Inferences In Papetti's Favor

Even assuming that Michael met its initial burden of showing the absence of genuine issues of material fact, Papetti's more than met its burden of going forward by presenting evidence of the invalidity of certain of Michael's patent claims and the materiality of the prior art. Papetti's thus demonstrated that a jury *could* find in its favor on either issue. Indeed, the Patent Office has now found Michael's reissue claims unpatentable based on that very same art. *See supra*, p. 7.

This Court should grant certiorari because of the lower courts' failure to view Papetti's evidence in accordance with this Court's precedents. Papetti's evidence, viewed most favorably to Papetti's (as it must be), either established the invalidity of one of the claims at issue and the materiality of the withheld prior art as Papetti's asserted in its cross-motion, or Papetti's evidence demonstrated that there are genuine issues of material fact.

A. Papetti's Undisputed Evidence Supporting Its Invalidity Counterclaim Was Sufficient To Defeat Summary Judgment

The central issue in Papetti's invalidity counterclaim was whether "turbulence," a necessary element in each of Michael's patent claims at issue, and the only element that saved Michael's patent claims from invalidation on reissue, was inherently disclosed in prior art publications about egg pasteurization.

The District Court's conclusion that "the record was devoid of evidence creating a genuine dispute regarding the inherency of the so-called 'turbulence' limitation" (5a) and the Federal Circuit's acceptance of that conclusion are contrary to the evidence of record.

The evidence of record shows that turbulence was inherent in the prior art. Michael's inventor admitted that prior art pasteurizers such as used in the prior art Michael withheld from the Patent Office were designed to induce turbulence. (86a-95a)[15] Moreover, Papetti's expert presented testimony, undisputed in the record, that pasteurizers of the type disclosed in this prior art inherently subject the liquid whole egg product to turbulence. (81a-85a) But in reaching their respective conclusions, neither the District Court nor the Federal Circuit ever referred to this evidence.

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[15] Michael attempted to explain away its inventor's admissions in its appeal brief. But Michael's arguments, which were shown by Papetti's to be incorrect, do not show that a jury could only reach one conclusion. If anything, Michael's arguments underscore the existence of genuine issues of material fact, and thus, that proper resolution of the issue should have been left to a jury.

In the face of this admission and uncontroverted expert testimony, the Federal Circuit and District Court improperly drew factual inferences, failed to view the evidence in favor of the opponent Papetti's, or most likely, made a "finding of scientific fact contrary to the evidence," i.e., that turbulence was not inherent in the prior art. *See Scripps Clinic*, 927 F.2d at 1577 (chastising District Court for making a finding that "was not simply an adverse factual inference, improper on summary judgment; it was a finding of scientific fact contrary to the evidence"). Based on Papetti's evidence, Michael's summary judgment motion should have been denied. Indeed, the Patent Office now has held these claims unpatentable on the grounds that turbulence is shown by the prior art and is inherent in prior art pasteurizers. (a96-a98)

B. Papetti's Evidence On The Materiality Of The Prior Art In Light Of Actions By The Patent Office During Reissue Was Sufficient To Defeat Summary Judgment

The patent examiner rejected Michael's previously-allowed non-turbulence claims on reissue in view of the prior art publications that Michael had withheld during the application process for its patents (*supra*, pp. 4-5, 7). This rejection of previously allowed claims during reissue establishes the materiality of the prior art without more. *See J.P. Stevens & Co., Inc.* v. *Lex Tex Ltd., Inc.*, 747 F.2d 1553, 1562 (Fed. Cir. 1984) ("The rejections of the process claims in reliance on [prior art] in the reissue proceeding indicate that those references were clearly important to the PTO ... [and that] importance, alone, establishes the materiality of those references ...."). Given such conclusive proof of the materiality of the prior art, Papetti's met its burden to show that a jury could find in

Papetti's favor on the materiality of the prior art, and thus, on the unenforceability of Michael's patents.[16]

Nevertheless, the Federal Circuit and the District Court found that Michael was entitled to summary judgment on Papetti's inequitable conduct counterclaim and refused to find that these references were material. (51a-52a; 5a-6a) Both Courts erred by overlooking Papetti's evidence of the materiality of the prior art publications and by applying the wrong standard. The Patent Office has now rejected some of the very claims that Michael asserted in this case, thus conclusively establishing the materiality of the prior art that the lower courts ignored.

In granting summary judgment for Michael, the District Court failed to draw all justifiable inferences in favor of opponent Papetti's. The District Court also improperly evaluated Papetti's evidence to determine if it *established* by clear and convincing evidence that Michael's patents are invalid or unenforceable, i.e., that a jury *would* find in Papetti's favor (*see supra*, pp. 13-15). That was error. The Federal Circuit's affirmance compounded that error.

The District Court's failure to follow this Court's precedents and the Federal Circuit's cursory affirmance should not be permitted to stand in the face of Papetti's compelling evidence and the potential harm to the public.

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[16] Papetti's also showed that based on the circumstantial evidence of Michael's intent, a jury could find in Papetti's favor on intent, the second element of an unenforceability defense. *See supra*, p. 3 n.1; *LaBounty Mfg., Inc.* v. *U.S. Intern. Trade Com'n.*, 958 F.2d 1066, 1076 (Fed. Cir. 1992) (noting that circumstantial evidence of intent often is sufficient because "[d]irect proof of wrongful intent is rarely available").

CONCLUSION

The errors of the Federal Circuit and the District Court in placing on Papetti's its ultimate trial burden of proof to defeat Michael's summary judgment motion to dismiss Papetti's counterclaims cannot stand. For the foregoing reasons, Papetti's respectfully submits that its petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

NOTE: Pursuant to Fed. Cir. R. 47.6, this disposition is not citable as precedent. It is a public record. The disposition will appear in tables published periodically.

United States Court of Appeals for the Federal Circuit

94-1064

MICHAEL FOODS, INC. and
NORTH CAROLINA STATE UNIVERSITY,

Plaintiffs-Appellees,

v.

PAPETTI'S HYGRADE EGG PRODUCTS, INC.,

Defendant-Appellant.

DECIDED: July 20, 1994

Before RICH, NEWMAN, and LOURIE, Circuit Judges.

LOURIE, Circuit Judge.

DECISION

Papetti's Hygrade Egg Products, Inc. ("Papetti") appeals from the grant of summary judgment by the United States District Court for the District of New Jersey in favor of Michael Foods, Inc. and North Carolina State University (collectively "Michael") in Michael's patent infringement action against Papetti. Michael Foods, Inc. v. Papetti Hygrade Egg Prods., Inc., No. 89-4645 (D.N.J. Sept. 21,

1993). Because the district court correctly determined that there were no genuine issues of material fact and that Michael was entitled to judgment as a matter of law, we affirm.

DISCUSSION

On November 9, 1989, Michael sued Papetti for infringement of U.S. Patents 4,808,425, 4,957,759, 4,994,291, and 5,019,408, all entitled "Method for the Ultrapasteurization of Liquid Whole Egg Products."[1] Papetti counterclaimed for a declaratory judgment that Michael's patents were not infringed, were invalid either for obviousness or for anticipation, and were unenforceable due to inequitable conduct in the Patent and Trademark Office (PTO).[2]

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[1] North Carolina State University owns the patents and Michael Foods is the exclusive licensee having the right to bring suit.

[2] For purposes of validity and infringement, only four claims from three of the patents are at issue: claim 15 of the '425 patent, claim 1 of the '759 patent, and claims 4 and 15 of the '408 patent. Claim 4 of the '408 patent illustrates the subject matter and reads as follows:

> 4. A method of ultrapasteurizing a liquid whole egg product, comprising passing the liquid whole egg product as a continuous stream through a pasteurizing apparatus, during which the liquid whole egg product is heated to a predetermined real temperature by contacting said liquid whole egg product to a heated surface while at least periodically subjecting said continuous stream of liquid whole egg product to turbulence, wherein the total thermal treatment received by the liquid whole egg product is described by an equivalent time and an equivalent temperature defining a point above the 5% SPL (BATCH) line of FIG. 3, but insufficient to cause said liquid whole egg product to coagulate, followed by aseptically packaging the

(continued...)

Both parties moved for summary judgment, each submitting briefs and documents in support of their respective motions and each urging the district court that there were no genuine disputes as to any material facts and that the court could resolve all questions as a matter of law. Accordingly, the district court entered summary judgment in favor of Michael, holding that the patents were infringed and not invalid, and that Michael had not procured its patents through inequitable conduct. On appeal, Papetti argues that the district court's entry of summary judgment was erroneous because there are numerous issues of fact entitling Papetti to "its day in court."

Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). We review the district court's entry of summary judgment de novo, determining whether, based on the record before us, there is any genuine issue of material fact and whether Michael is entitled to judgment as a matter of law. See Avia Group Int'l, Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 1561, 7 USPQ2d 1548, 1551 (Fed. Cir. 1988). In so doing, we view the evidence in a light most favorable to Papetti, the nonmoving party, and draw all reasonable inferences in its favor. Id. at 1560, 7 USPQ2d at 1550.

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[2](...continued)

> liquid whole egg product to provide a package [sic] liquid whole egg product characterized by a refrigerated shelf life of about four weeks to about 36 weeks.

(Emphasis added).

Papetti first argues that the issue of infringement was not appropriate for summary judgment because the underlying interpretation of the claim term "shelf-life" involves disputed issues of fact. This argument, however, is belied by Papetti's own motion for summary judgment of non-infringement, in which it urged that summary judgment is precisely what is in order" because the only dispute is one of claim interpretation which is "a question of law for the [c]ourt to decide." Papetti was correct when it made its motion. "Claim interpretation is a question of law amenable to summary judgment and disagreement over the meaning of a term within a claim does not necessarily create a genuine issue of material fact." Intellicall, Inc. v. Phonometrics, Inc., 952 F.2d 1384, 1387, 21 USPQ2d 1383, 1386 (Fed. Cir. 1992) (citation omitted). "Where, as here, no underlying fact issue must be resolved, claim interpretation is a question of law." Johnston v. IVAC Corp., 885 F.2d 1574, 1579, 12 USPQ2d 1382, 1385 (Fed. Cir. 1989). The district court thus properly resolved the issue of claim interpretation as a matter of law. We discern no error in that interpretation and conclude that the court correctly entered summary judgment in favor of Michael on the issue of infringement based upon that interpretation.

Papetti next argues that the district court erred in rendering summary judgment on the issues of validity and inequitable conduct, asserting that factual issues exist which preclude summary judgment. Papetti, however, fails to recognize that factual issues must be "genuine" to make summary judgment inappropriate. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). A genuine issue exists only "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." Id. "[I]t is incumbent on the non-movant in a summary judgment proceeding to proffer countering evidence sufficient to create a genuine factual dispute." Octocom Sys., Inc. v. Houston Computer Serv., Inc., 918 F.2d 937, 940, 16 USPQ2d

1783, 1786 (Fed. Cir. 1990). We agree with the district court that Papetti failed to carry its burden.

The district court held that the record evidence was insufficient to establish by clear and convincing evidence that the claims at issue were invalid. Respecting the issue of obviousness, the court concluded that the record could not support a finding that the claimed invention would have been obvious. In so holding, the court determined that Michael's evidence relating to the secondary considerations of nonobviousness was "compelling" and essentially uncontroverted.[3] On the issue of anticipation, the court concluded that Papetti failed to offer evidence sufficient to establish that each element of the claimed invention was disclosed in a single prior art reference. The court further determined that the record was devoid of evidence creating a genuine dispute regarding the inherency of the so-called "turbulence" limitation. Finally, the district court concluded that the record evidence was insufficient to establish that Michael had engaged in inequitable conduct before the PTO.

"[T]he plain language of Rule 56(c) mandates the entry of summary judgment . . . against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986). We have reviewed the record and conclude that the district court properly determined that Papetti failed to make a showing sufficient

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[3] We note that in a prior reissue proceeding, the PTO upheld the claims at issue as nonobvious over the same prior art presently relied upon by Papetti. The PTO determined that the claimed process was "neither disclosed nor suggested in the prior art and [that] the secondary considerations outweigh any prima facie case." Moreover, the PTO concluded that the claimed invention was "clearly a breakthrough" and a "revolutionary discovery [which] is exactly the type worthy of patent protection."

to sustain its burden of establishing by clear and convincing evidence that the patents were either invalid or unenforceable for inequitable conduct. The court thus correctly concluded that there were no genuine disputes as to facts material to those issues and that Michael was entitled to judgment as a matter of law. Accordingly, the judgment of the district court is affirmed.

United States Court of Appeals for the Federal Circuit

ORDER

A combined petition for rehearing and suggestion for rehearing in banc having been filed by the APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the suggestion for rehearing in banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, DECLINED.

The mandate of the court will issue on September 22, 1994.

FOR THE COURT,
FRANCIS X. GINDHART, CLERK

Dated: September 15, 1994

By /s/_____
Diane M. Frye
Chief Deputy Clerk

cc: ALBERT E. FEY
JAMES D. MYERS

MICHAEL FOODS INC V PAPPETTI'S, 94-1064
(DCT - 89-4645)

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* Note: Pursuant to Fed. Cir. R. 47.6, this order is *
* not citable as precedent. It is a public record. *
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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC., and NORTH CAROLINA STATE UNIVERSITY,	:	Civil Action No. 89-4645 (MB)
Plaintiffs,	:	
v.	:	
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	OPINION
Defendant.	:	

I. INTRODUCTION

Presently before the court are the motions for summary judgment by plaintiffs Michael Foods, Inc. and North Carolina State University (hereinafter "Michael") and defendant Papetti's Hygrade Egg Products, Inc. (Papetti's) on the issue of patent infringement and non-infringement, respectively. After both sides simultaneously moved for summary judgment on the infringement issue, Michael cross-moved for summary judgment on Papetti's counterclaim of inequitable conduct, the counterclaim alleging that material information was withheld from the Patent and Trademark Office (PTO). Papetti's responded and subsequently moved for partial summary judgment on the issue of invalidity, arguing that if the court interprets the language of the claims in the same manner as Michael, then invalidity must follow because the claims read on the prior art. Underlying these various motions is the critical need for claim interpretation and a determination as to whether certain articles and activities which existed more than one year prior to September, 1985, i.e. more than one year prior to the filing

date of the patents in suit, constitute "prior art".[1] The issue of damages has been bifurcated, and, thus, the various motions pertain only to liability.

In general, the patents in suit provide for a process of producing unshelled liquid egg products which can be stored for extended periods of time without freezing or drying the product, and whereby the egg product is heated at a time, temperature and duration so as to effectively reduce the amount of germs without ruining the eggs "functionality", i.e. the purpose for which the eggs serves. In so doing, the egg loses a certain amount of protein, as it must when it is subjected to increased thermal treatment.

In producing an extended life liquid egg, the inventors claim that the egg can be heated at an "equivalent time" and "equivalent temperature"[2] and, more importantly, that the egg will not cease to be functional even after it

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[1] The '425 parent patent was filed on September 8, 1986 and was subsequently issued on February 28, 1989.

[2] According to the "Detailed Description of the Invention," when products are pasteurized at higher temperatures and shorter times, "as is taught herein, the contribution of the heating stage, and perhaps the cooling stage, to the total thermal treatment of the product becomes significant, and must be accounted for if a product with good functional qualities is to be obtained and coagulation during pasteurization is to be avoided. It is accordingly recommended that the equivalent point method for evaluating thermal treatments be applied in practicing the present invention." This method describes the total thermal treatment received by a product in continuous flow equipment with one equivalent time and one equivalent temperature. Procedures for the use of the equivalent point method for analyzing the thermal effects on products during continuous flow heating are known to those skilled in the art, although the inventors claim that their method differs from past methods. The procedure for determining the equivalent point of a thermal system is provided for in the patent. Essentially, it is a mathematical equation for determining times and temperatures at a point in the pasteurization process even though these variables change at different stages of the process.

undergoes a soluble protein loss (SPL) in excess of 5%. The inventors claimed to the PTO that it had not "heretofore been suggested" that an egg could undergo increased thermal treatment beyond the 5% SPL and still be functional. Papetti's, on the other hand, claims that by representing to the PTO that the concept of thermal treatment beyond the 5% line had not been suggested previously, plaintiffs have engaged in inequitable conduct by withholding from the PTO three articles published approximately twenty to thirty years ago related to this topic which, although not specifically teaching it, demonstrate treatments which fall above the 5% line. Although these three articles were not specifically cited to the PTO, other publications cited refer to these articles. Indeed, the inventors' own literature cited to these articles as a means of concluding that it was "not heretofore suggested" that functional products could result from thermal treatment beyond the 5% line - a barrier which the inventors themselves created.

The technology involved in this case is extremely important to the parties and to many members of the public. Egg products are sold in various forms such as shell eggs, dried and liquid eggs and frozen eggs, each of which has its own advantages and disadvantages. The parties here are concerned with liquid eggs which are particularly appropriate for sale to large commercial businesses such as the Burger King corporation and the Marriott corporation.

Because eggs naturally contain a number of microorganisms and are susceptible to salmonella, however, the process of pasteurization is vital to combat the presence of bacteria, and, indeed, the U.S.D.A. mandates certain thermal treatments such that the quality of the eggs can be ensured up until the particular "pull date" noted on the package. For some in the industry it is particularly desirable to purchase a liquid egg product which has an "extended shelf life."

II. UNDISPUTED FACTS[3]

Michael Foods is a Minnesota corporation which manufactures and sells extended shelf life liquid whole egg products under the name "Easy Eggs." Papetti's, a New Jersey corporation, also manufactures and sells extended shelf life liquid whole egg products. Plaintiff North Carolina State University is the owner of United States Letters Patent Nos.[4] 4,808,425 ("the '425 patent"), 4,957,759 ("the '759 patent"), 4,994,291 ("the '291 patent), 5,019,408 ("the '408 patent"), entitled "Method for the Ultrapasteurization of Liquid Whole Egg Products." The right to bring suit for the infringement of these patents is held by Michael Foods - the exclusive licensee of the patents.[5]

In 1981, while working an his doctoral thesis at North Carolina State University, graduate student Mohammed Samimi, with the guidance of Professors Kenneth Swartzel and Herschel Ball, investigated the effective limits of heat treatment on eggs. Subsequently, and after numerous experiments, the work of these individuals (the "inventors") matured into the patents in suit.

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[3] The undisputed facts are derived primarily from a comparison of the parties' 12G statements, and from the numerous depositions, declarations, certifications and affidavits.

[4] Each of the several patents will be referred to by its last three numbers.

[5] Although not involved in the development of the patents in suit, Michael Foods has apparently acquired a company called Morning Glory Eggs, Inc. which held an exclusive license under the patented technology from North Carolina State University. Of course, this in no way affects Michael's claim of infringement. For purposes of Michael's infringement motion, the claims at issue are claims 4 and 15 of the '408 patent, claim 1 of the '759 patent, and claim 15 of the '425 patent. Overall, plaintiffs have four patents and 72 claims.

Upon applying to the PTO, the inventors, as is required, submitted certain information so that a determination could be made as to patentability. Among the information provided was their own literature, which concluded from prior literature that certain barriers existed beyond which thermal treatment should not occur. During the prosecution of the patents in suit, the article "Pasteurization Design Criteria For Production of Extended Shelf-life Refrigerated Liquid Whole Egg", J. Food Processing and Preservation, 8:219 (1984) by Drs. Samini and Swartzel was cited and a copy was given to the PTO. This article referred to previous articles authored by Hanson, Knight and Murdock. Among the literature also cited to the PTO were 1) Dr. Samimi's thesis; 2) the abstract of the Poultry Science Association Annual Meeting (July 29 -Aug. 2, 1985) in Ames, Iowa at which Dr. Ball made a presentation as described in the abstract; and 3) information relating to work done at Virginia Polytechnic Institute (VPI) to create an extended shelf life liquid whole egg product.

Although Michael states that there are many other claims that Papetti's has infringed, the following, according to Michael[6], are fairly representative of the allegedly infringed claims for purposes of these motions:

Claims 4 and 15 of the '408 Patent[7]

4. A method of ultrapasteurizing a liquid whole egg product, comprising passing the liquid whole egg product as a continuous stream through a pasteurizing apparatus, during which the liquid whole egg product is heated to a predetermined real temperature by

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[6] See Pl. Inf. Br. in Supp., at 21 n.6.

[7] Pl. Infr. Exh. 6.

contacting said liquid whole egg product to a heated surface while at least periodically subjecting said continuous stream of liquid whole egg product to turbulence, wherein the total thermal treatment received by the liquid whole egg product is described by an equivalent time and an equivalent temperature defining a point above the 5% SPL (BATCH) line of FIG. 3, but insufficient to cause said liquid whole egg product to coagulate, followed by aseptically packaging the liquid whole egg product to provide a package liquid whole egg product characterized by a refrigerated shelf life of about four to about 36 weeks.

15. A method of making a packaged liquid whole egg product characterized by a preselected refrigerated shelf life of about four weeks to about 36 weeks, comprising passing the liquid whole egg product as a continuous stream through a pasteurizing apparatus, during which the liquid whole egg product is

(a) heated by contacting said liquid whole egg product to a heated surface for a time sufficient to raise said liquid whole egg product to a predetermined holding temperature while at least periodically subjecting said continuous stream of liquid whole egg product to turbulence, then

(b) maintained at said predetermined hold temperature for a predetermined hold time, wherein said holding temperature and holding time are selected so that the total thermal treatment received by the liquid whole egg product is defined by an equivalent time and an equivalent temperature not greater than the expected 5% SPL (continuous

processing) line of FIG. 3, and wherein said holding temperature and holding time are selected to impart said preselected shelf life to said liquid whole egg product, and then

(c) cooled, followed by

(d) aseptically packaging the liquid whole egg product.

Claim 1 of the '759 Patent[8]

1. A method of making a packaged liquid whole egg product characterized by a preselected refrigerated shelf life of about four to about 36 weeks, comprising passing the liquid whole egg product as a continuous stream through a pasteurizing apparatus, during which the liquid whole egg product is heated by contacting said liquid whole egg product to a heated surface for a predetermined time and to a predetermined temperature while at least periodically subjecting said continuous stream of liquid whole egg product to turbulence, wherein the liquid while [sic] egg product is heated for a predetermined time and to a predetermined temperature insufficient to cause more than a 5% soluble protein loss from said product, wherein the total thermal treatment received by the liquid whole egg product is described by an equivalent temperature and an equivalent time defining a point above the 5% SPL (BATCH) line of FIG. 3, and wherein said predetermined temperature and said predetermined time are chosen to impart said preselected shelf life to said liquid whole egg product, followed by aseptically packaging the liquid whole egg product.

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[8] Pl. Infr. Exh. 3.

Claim 15 of the '425 Patent[9]

A method of making a packaged liquid whole egg product characterized by a preselected refrigerated shelf life of about four to about 36 weeks, comprising passing the liquid whole egg product as a continuous stream through a pasteurizing apparatus, during which the liquid whole egg product is heated by contacting said liquid whole egg product to a heated surface for a predetermined time and to a predetermined temperature while at least periodically subjecting said continuous stream of liquid whole egg product to turbulence, wherein the liquid whole egg product is heated for a predetermined time and to a predetermined temperature insufficient to cause more than a 5% soluble protein loss from said product, and wherein said predetermined temperature and said predetermined time are chosen to impart said preselected shelf life to said liquid whole egg product, followed by aseptically packaging the liquid whole egg product.

III. INTERPRETATION OF THE CLAIMS AND INFRINGEMENT[10]

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9 Pl. Infr. Exh. 1.

10 In its motion for summary judgment on non-infringement, Papetti's places the various claims into either "category 1" or "category 2," a categorization which Papetti's uses throughout all of its briefs. Michael considers this categorization improper because it lumps together separate claims without considering the individual elements of each claim. While this may be correct (except that with regard to Papetti's motion for non-infringement it need only be shown that a single element is not established), it is clear that "category 1" is exemplified by claim 1 of the '425 patent which Michael has also stated is among those claims which are fairly representative of those infringed. As for "category 2," these claims are exemplified by claim 15 of the '425 patent. While this particular claim is not among the four listed by Michael Foods, it is

(continued...)

At the heart of these motions is the interpretation and scope of the patents in suit. The primary dispute is whether, as argued by Papetti's, one must engage in a "preselection methodology" whereby it is required prior to operation of the pasteurization process that an equivalent time and equivalent temperature point above the 5% SPL (BATCH) line of Figure 3 be selected (or the preselection of a desired shelf life between 4 and 36 weeks), or whether, as Papetti's frames the dispute, all that is required is that the pasteurizing of liquid whole egg products take place at equivalent times and temperatures which happen to fall above the 5% SPL (BATCH) line of figure 3, but where the egg is not coagulated. According to Papetti's, if claim 1 of the '425 patent ("category 1") is interpreted as plaintiffs' suggest, it would read on a number of prior art processes and would clearly be invalid under 35 U.S.C. §§ 102 and 103.

As a preliminary matter, while a district court considering a motion for summary judgment should "exercise unusual caution" in a patent case, summary judgment should be granted where there are no genuine issues of material fact and it is "neither necessary nor desirable to hear expert witnesses." Ames Shower Curtain Co. v. Heinz Nathanson, 285 F.Supp. 640, 642 (S.D.N.Y. 1968). Moreover, where a party moves for summary

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[10](...continued)
clear that the terms which are really at issue here are the same, for purposes of claim interpretation, whether one Papetti's "categories" or Michael's four "fairly representative" claims. Papetti's summarizes the "category one" claims as including a "total thermal treatment" element, which requires that the total thermal treatment received by the pasteurized liquid egg product must be described by an equivalent time and an equivalent temperature "defining a point above the 5% SPL (BATCH) line of Figure 3" of the patents in suit. "Category 2" claims recite a method for "making a packaged liquid whole egg product characterized by a preselected refrigerated shelf life of about 4 weeks to about 36 weeks," and requires that the time and temperature conditions of pasteurization be "selected to impart said preselected shelf life." See Def. Inf. Br., at 23-24; Def. Reply Non-Inf. Br., at 14-15.

judgment on the issue of infringement, a court may disregard -- at least for the time being -- the issue of validity of the patent itself. Id. As noted by the Federal Circuit in Standard Oil Co. v. American Cyanamid Co., 774 F.2d 448, 452 (Fed. Cir. 1985), the issue of infringement involves a two-step analysis:

> [F]irst, the language of the claim must be interpreted; and second, it must be determined whether the claim "reads on" the accused product or process, that is, whether the claimed invention is being made, used, or sold by the alleged infringer. The first is a question of law for the court, the second is an issue of fact.[11]

Where there is no underlying issue of fact to be resolved, claim interpretation is a question of law. "A mere dispute over the meaning of a term does not itself create an issue of fact. Johnston v. IVAC Corp., 885 F.2d 1574, 1579 (Fed. Cir. 1989). This is true even where the meaning cannot be determined without resort to the specification, the prosecution history or other extrinsic evidence provided that there are no underlying issues of material fact. Id.

In interpreting patent claims they should be "so construed, if possible, as to sustain their validity." ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 1578 (Fed. Cir. 1984). See also, Smith v. Snow, 294 U.S. 1, 14 (1934) (if the claim were fairly susceptible of two constructions, that should be adopted

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[11] Although Michael has provided the court with a series of events tending to show that Papetti's has intentionally copied Michael's process (see Pl.Opp.Inf.Br., at 25-29 detailing the "improprieties" of Mr. McBee and Papetti's), "in determining the question of infringement the desire or intent to infringe a patent is irrelevant." Wilden Pump & Engineering Co. v. Pressed & Welded Products Co., 655 F.2d 989, 989 (9th Cir. 1981). Of course, willfulness is relevant to increased damages under 35 U.S.C. § 284; however, as noted earlier, the issue of damages has been bifurcated for separate discovery and trial.

which will secure to the patentee his actual invention, rather than to adopt a construction fatal to the grant...."; Turrill v. Michigan Southern & Northern Indiana R. Co., 68 U.S. (1 Wall.) 491, 510 (1864) ("patents are, if practicable, to be so interpreted as to uphold and not destroy the right of the inventor"). However, claims are not to be "saved" from invalidity by reading extraneous limitations into them from the specification. DuPont v. Phillips Petroleum Corp., 849 F.2d 1430, 1434 (Fed. Cir.), cert. denied, 488 U.S. 986 (1988).

An examination of the claims at issue is the threshold requirement for claim construction. ZMT Corp. v. Cardiac Resuscitator Corp., 844 F.2d 1576, 1579 (Fed. Cir. 1988). The words in a claim are to be given their "ordinary meaning unless it appears that the inventor used them differently." Id. If the inventor used the terms in a way not reflecting their ordinary meaning, a court may look to the specification and the prosecution history. While it is entirely proper to use the specification to interpret what a patentee meant by a word in a claim, it is improper to add an extraneous limitation appearing in the specification into the claim. DuPont, 849 F.2d at 1433.[12]

It is also a fundamental principle of claim construction that a claim is to be "construed in the light of the claim language, the other claims, the prior art, the prosecution history, and the specification, not in light of the accused device." S.R.I. International v. Matsushita Electric Corp., 775 F.2d 1107, 1118 (Fed. Cir. 1985). It is not until after the claims have been interpreted without reference to the accused device that the determination of infringement occurs. Id. Once a court has interpreted the claims of a patent, those claims "must be interpreted and given the same meaning for purposes of both validity and infringement analyses." Smithkline Diagnostics, Inc. v.

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[12] "Extraneous," as used by the DuPont court, means "a limitation read into a claim from the specification wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim." Id. at 1433.

Helena Laboratories Corp., 859 F.2d 878, 882 (Fed. Cir. 1988); see also Sterner Lighting, Inc. v. Allied Electrical Supply, Inc., 431 F.2d 539, 544 (5th Cir. 1970), cert. denied, 401 U.S. 909 (1971) ("a patent may not, like a 'nose of wax,' be twisted one way to avoid anticipation and another to find infringement.") (quoting White v. Dunbar, 119 U.S. 47, 51 (1886).

According to Papetti's, the only real dispute over interpretation of claim 4 of the '408 patent ("category 1") involves the "total thermal treatment" element of the claim i.e.:

> wherein the total thermal treatment received by the liquid whole egg product is described by an equivalent time and an equivalent temperature defining a point above the 5% SPL (BATCH) line of Fig. 3.[13]

As for claim 15 of the '425 patent, claim 1 of the '759 patent, and claim 15 of the '408 patent ("category 2"), the real dispute, according to Papetti's, is that aspect of the claims which recites that the claimed method is for "making a packaged liquid whole egg product characterized by a preselected refrigerated shelf life of about 4 weeks to about 36 weeks...", and that the holding temperature and holding time utilized during the heating step and/or holding stop are

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[13] Papetti's apparently does not dispute the meaning of the other elements of the claim and admits to their occurrence in Papetti's process, i.e. continuous processing, heated to a predetermined real temperature, contacting a heated surface, turbulence, no coagulation and aseptic packaging. (Def. Inf. Opp. Br., at 6-7). The shelf life requirement, although Papetti's claims it is merely a "whereby clause," must also be part of the infringement and invalidity analysis because it gives meaning and life to the claim. Where it is clear from a review of the patent as a whole that "what the inventors actually invented and intended to encompass by the claim" relates to a "particular problem," a court can consider the preamble in determining infringement. Corning Glass Works v. Sumitomo Electric, 868 F.2d 1251, 1257 (Fed. Cir. 1989).

"chosen" or "selected" so as to "impart said preselected shelf life to said liquid whole egg product."

It is Papetti's position that claim 15 of the '408 patent (and all category 2 claims) must be interpreted to require one to first preselect a desired shelf life between 4 and 36 weeks, and, based upon that preselection, choose pasteurization conditions by referring to a chart such as Figure 4 or 5 of the patent, thereafter utilizing such pasteurization conditions, along with aseptic packaging, to obtain a preselected shelf life. There is nothing, however, which indicates that one must refer to any figure to select a desired shelf life. All that is required is that one select in advance a shelf life between 4 and 36 weeks.

Furthermore, claim 4 of the '408 patent ("category 1"), according to Papetti's, requires the pre-establishing of pasteurization parameters by referring to equivalent time and temperature data that appears on Figure 3 (or something similar) of the patents in suit.[14]

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[14] Papetti's strongly urges adoption of these interpretations i.e. the requirement that one preselect, predetermine, and refer to a chart, because Papetti's is confident that there is not a shred of evidence that could possibly show that it undergoes such a careful preselection methodology, thus leading to the inevitable conclusion of non-infringement. Although only mentioned in a footnote, Michael suggests that even if Papetti's interpretation is correct, infringement -- although not "literal infringement" -- is nevertheless present under the "doctrine of equivalents" whereby Papetti's process performs substantially the same overall way to achieve substantially the same result by substantially the same means. Johnston v. IVAC Corp., 885 F.2d 1574, 1581 (Fed. Cir. 1989). However, if the only evidence asserted by Michael to show equivalence is the deposition testimony of certain customers that Papetti's products are equivalent to Michael's products, the equivalence argument would fail because the claimed invention is a process. Accomplishment of the same result does not demonstrate equivalence; rather, the claimed method in all substantial aspects must be followed. Sealed Air Corp. v. U.S. International Trade Commission, 645 F.2d 976, 985 (C.C.P.A. 1981).

In support of its interpretation, Papetti's relies heavily on quoted language from the depositions of the inventors, and on the specification which precedes the claims. The specification states that "the time and temperature parameters of the thermal treatment must be selected with care." It further states that "it is essential to know how liquid whole egg products respond to various thermal treatments before experimenting with the production of these products on commercial equipment." However, the specification also states that

> [t]he foregoing graphs have been presented to aid the understanding of the present invention. Some variation about the plotted lines is to be expected when the present invention is practiced on different equipment, or with different products. These graphs are accordingly not to be taken as limiting the present invention, as departures could be made therefrom while still capturing and benefitting from the teachings of the invention.

'425 Patent, Col. 15.[15]

The deposition of one of the inventors - Dr. Swartzel - is critical to Papetti's argument that the patents in suit do not cover the operation of pasteurization conditions selected on the basis of past experience and trial and error, along with aseptic packaging. When asked, "Do you consider it to be within the scope of what you, Dr. Samimi, and Dr. Ball have developed to simply take an existing commercial pasteurizing apparatus and hook it up

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[15] The specification at Col. 15, lines 39-43 also states:

> The invention has been discussed with a degree of specificity above. This discussion has been provided for illustrative purposes only, with the scope of the invention being defined by the following claims.

to an aseptic packaging unit?," Dr. Swartzel replied "No." Plaintiffs claim that this testimony as well as other testimony concerning "shelf life," is taken out of context, and is misleading. Plaintiffs point to the deposition of Dr. Samimi as disposing of this issue:

> Q. Is it your testimony that if you take a pasteurization process and analyze it, and you find that in practicing that process there is an equivalent point which falls on figure no. 3 somewhere above the 5 percent line, that I would have practiced or one engaging in that process would have practiced what is defined in claim no. 1 of the patent?
>
> A. If the equivalent point falls above that 5 percent line, yes, it falls in claim no. 1.
>
> * * * *
>
> Q. What if I chose my time and temperature without regard to figure no. 3, without any knowledge of figure no. 3?
>
> A. By trial and error we can hit it eventually.
>
> * * * *
>
> A. My understanding of the claim is that, yes, it would be in what the claim says. It would fall under what the claim says.
>
> Q. Even though I chose my time and temperature without regard to figure no. 3?
>
> A. Yes.

(Samimi Dep., at 233, 241: Pl. Exh. 67). Papetti's also relies on excerpts from Dr. Samimi's deposition to

demonstrate that one must refer to a diagram to determine the times and temperatures:

> Q. And then it says, "and wherein said predetermined temperature and predetermined time are chosen to impart said preselected shelf life to said liquid whole egg product." Do you see that?
>
> A. Yes.
>
> Q. Am I correct that what that means is that's what you described yesterday with relationship to Figure Nos. 4 and 5 that we pick our shelf life, or our target shelf life, go to Figure No. 4 and pick a time and temperature somewhere along the desired shelf life line, and then operate our pasteurization. That becomes our predetermined time and temperature. Is that correct?
>
> A. Yes.
>
> Q. And that's what is meant by the language in Claim No. 15 to that effect. Correct?
>
> A. Yes.[16]

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[16] The parties dispute the weight to be given to an inventor's testimony for purposes of claim interpretation. It is certainly clear, however, that "the comments of the inventor himself are valuable in discerning the scope of the patent claims." Jonsson v. Stanley Works, 711 F.Supp. 1395, 1403 (N.D. Ohio 1989), aff'd, 903 F.2d 812 (Fed. Cir. 1990). See also International Harvester Co. v. Deere & Co., 478 F.Supp. 411 (C.D. Ill. 1979), vacated on jurisdictional grounds, 623 F.2d 1207 (7th Cir. 1980). Although vacated on other grounds, International Harvester which accorded great weight to the inventor's deposition and found no conflict where plaintiff's affidavits contradicted the inventor's own testimony has been cited with approval by the Federal Circuit. See D.L. Auld Co. v. Chroma Graphics Corp., 714 F.2d 1144, (continued...)

(Samimi Dep., at 298)

Plaintiffs' interpretation of the claims does not suggest that "preselection" is unnecessary; rather they claim that the plain language of the claims does not require one to refer to any figure, and that by applying Papetti's admitted conduct to the claims, infringement is clear. Thus, for example, Papetti's argues that claim 4 of the '408 patent requires "the pre-establishing of pasteurization parameters by reference to equivalent time and temperature data that appears on Figure 3 of the patents-in-suit (or something like it)." (Def. Opp. to Infr., at 5) The words of claim 4 which pertain to Figure 3, however, are merely "described" and "defining." These words do not in any way relate to a preestablishing of pasteurization parameters by reference to Figure 3. Nothing in the specification defines these words or suggests that they mean something other than what they state, i.e. the equivalent time and temperature must be above the 5% line.

Moreover, the claims do not require reference to Figure 4. For example, claim 15 of the '408 patent provides that what is claimed is:

> A method of making a packaged liquid whole egg product characterized by a preselected shelf life of about four weeks to about 36 weeks ... wherein said holding temperature and holding time are selected to impart said preselected shelf life.

Clearly the language of this claim does not require one to use Figure 4, which is not even mentioned (only Figure 3 is mentioned here), to choose time and temperature operating

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[16](...continued)
1151 (Fed. Cir. 1983). In any event, the deposition testimony cited by Papetti's does not resolve the interpretation issue. Equally significant is Dr. Samini's view that one need not have knowledge of Figure 3 to infringe the patent.

conditions. The language merely requires that operating conditions be established so as to produce an extended shelf life product. Even if the claim language itself were unclear, the specification states that the graphs are not to be taken as limiting the invention. ('425 Patent, Col. 7, Lines 33-36; '425 Patent, Col. 15, Lines 39-43). See Cabot, 845 F.2d at 987 ("[w]here a specification does not require a limitation, that limitation should not be read from the specification into the claims.")[17]

Plaintiffs correctly argue that the "preselection methodology " Papetti's experts the claims to require is not, in fact, required. The language "heated to a predetermined real temperature" of claim 4 of the '408 patent, for example, simply means that the temperature must be known ahead of time. That this occurs is, indeed, admitted by Papetti's. (See Claim Chart, Exh. 7).

At issue also is whether the preselected "shelf life," (see "Category 2" claims), "predetermined temperature, and "predetermined time" elements are satisfied by Papetti's "trial and error" method whereby it receives U.S.D.A. approval for its products. Papetti's claims that it does not preselect anything in advance of manufacturing but simply heats its eggs at certain temperatures and times by trial and error, and than studies the effect this has on the egg. As plaintiffs again correctly argue however, when it comes to commercializing these eggs, Papetti's cannot study the shelf life of a particular egg and then sell it afterwards. Papetti's must know in advance (in order to attain U.S.D.A. approval for a shelf life) the heat and temperature used to achieve the shelf life approved by the U.S.D.A. Therefore, whether or not Papetti's data came from a shelf life study, each time thereafter it preselects a shelf life and a temperature and

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[17] Neither Official Action issued by the PTO in the reissue proceeding, to be discussed infra, suggests that use of any of the graphs is required.

time to mimic the study.[18] Papetti's does not argue to the contrary except to say that preselection for U.S.D.A. purposes is not preselection for purposes of the patents in suit. But the U.S.D.A. approved shelf lives are undisputed evidence that Papetti's plans in advance to produce a liquid whole egg product having a shelf life of about 4 weeks to about thirty six weeks.

While claim interpretation is heavily disputed, the infringement analysis which follows that interpretation is straightforward. If the patent requires reference to the figures, (and, as noted earlier, the patent examiner in the pending reissue proceeding did not articulate any such requirement), there is no evidence that Papetti's engages in that type of methodology and, thus, Papetti's submits that summary judgment of non-infringement is required. Papetti's concedes, however, that if its claim interpretation is rejected, as it should and will be, it has infringed the "category 1" patents.[19] Plaintiffs' motion for summary judgment of infringement will be granted. Defendants'

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[18] Papetti's distinction between "actual shelf life" and the minimum shelf life necessary for U.S.D.A. approval is unimportant. Although the U.S.D.A. is unconcerned with the actual life of a product so long as it lasts until the "pull data," Papetti's preselects a desired shelf life, albeit a minimum one, when it seeks to receive approval for that minimum duration. (Def. Opp. to Infr., at 34-38) Although there is a dispute over the meaning of term "shelf life," it is clear that it is used and understood by those of "ordinary skill" in the art of commercial production as applying to a U.S.D.A. shelf life. (Pl. Inf. Exh. 85)

Furthermore, Papetti's reliance on Dr. Samimi's deposition is misplaced insofar as his testimony, which states that a "shelf life study" is not covered by claim 15 of the '425 patent, does not mention that the shelf life study is followed by commercial production. (See Samimi Dep., at 299-300)

[19] For a detailed description of Papetti's infringement of the patents in suit regarding each element of the claims, see plaintiffs' Claim Charts. (Pl. Infr. Exhs. 7-8.) In light of the court's interpretation of shelf life, infringement regarding the "category 2" claim is equally clear.

motion for summary judgment of noninfringement will be denied.

IV. INVALIDITY

While conceding infringement of the claims as interpreted by the court, Papetti's argues that the patents in suit are invalid and has moved for partial summary judgment of invalidity on the "category 1" claims.

Patents are presumed to be valid and the burden of establishing invalidity of a patent - by clear and convincing evidence - rests on the party asserting invalidity. 35 U.S.C. § 282. When no prior art other than what was considered by the PTO examiner is relied on by the attacker, the party asserting invalidity "has the added burden of overcoming the deference that is due to a qualified government agency presumed to have properly done its job, which includes one or more examiners who are assumed to have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents." American Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1359 (Fed. Cir. 1985). A validity analysis under 35 U.S.C. §§ 102 and 103 requires a legal determination of what constitutes prior art. Panduit Corp. v. Dennison Manufacturing Co., 810 F.2d 1561, 1568 (Fed. Cir.) cert. denied, 481 U.S. 1052 (1987).

Papetti's argues that the "category 1" claims should not be interpreted broadly because the inevitable result would be the invalidity of the patents.[20] Papetti's "acknowledges that if the asserted Category 1 claims are interpreted as Michael apparently asserts, Claim 4 of the '408 patent, as well as the remaining Category 1 claims, would indeed read on Papetti's process. However, if they are so interpreted, they read on the prior art as well." (Def. Inv. Br., at 9) The alleged prior art at issue includes

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[20] As noted earlier, Papetti's only moves for partial summary judgment as to invalidity on the "category 1" claims.

1) prior pasteurization and knowledge by Papetti's; 2) articles by Hanson, Murdock and Knight and the VPI work; and 3) prior and public dissemination by the inventors of their later patented work. To the extent that the prior art does not provide for pasteurization followed by aseptic packaging, Papetti's argues that the combination of these two well known ideas was "obvious."

For purposes of this motion, the prior art categories at issue are "printed publications" and "prior public use." 35 U.S.C. § 102. Section 102(b) provides that a person shall be entitled to a patent unless the invention was patented or described in a printed publication or in public use more than one year prior to the date of the application for the patent.

It is a mixed question of law and fact in determining whether materials are § 102 printed publications. Tyler Refrigeration Corp. v. Kysor Industrial Corp., 601 F. Supp. 590, 601 (D. Del.), aff'd, 777 F.2d 687 (Fed. Cir. 1985) ("'as a general rule the determination of whether materials are printed publications is a mixed question of law and fact which can be determined only after trial.'") (citation omitted).

There are many ways in which a reference may be disseminated to the interested public and therefore "public accessibility" is a critical factor in determining whether a reference is a printed publication under § 102. It must be shown that the printed publication was sufficiently accessible, at least to those in the public who are interested in the art, such that one who as the reference could make the claimed invention without further research or experimentation. Constant v. Advanced Micro-Devices Inc., 848 F.2d 1560 (Fed. Cir. 1988); Harmon, Patents and the Federal Circuit § 3.4(b) at 55 (2d ed. 1991).

Furthermore, to constitute a printed publication under § 102(b), the document must also satisfy the "anticipation requirement, i.e. it must teach the very invention of the patent or disclose a device substantially

identical to that claimed by the terms of the patent. In re Certain Caulking Guns, 223 U.S.P.Q. 388, 397 (ITC 1984). To anticipate a patent, "it must appear that every material element of the claim in question was disclosed by a single prior art reference." Id. (quoting General Battery Corp. v. Gould, 545 F. Supp. 731, 740 (D. Del. 1982).[21]

With regard to public use, the usual issue is how "public" the use must be. When a party asserts that a prior use invalidates a patent claim, that party must also establish that such a use was conceived and "reduced to practice". Reduction to practice requires that the invention is sufficiently tested to show that it will work for its intended purpose. Medtronic, Inc. v. Daig Corp., 611 F. Supp. 1498, 1507 (D. Minn. 1985).

In alleging invalidity under § 103's obviousness test, the issue "is whether the claimed invention, considered as a whole, would have been obvious or nonobvious." Jones v. Hardy, 727 F.2d 1524 (Fed. Cir. 1984). The "question is not simply whether the prior art 'teaches' the particular element of the invention, but whether it would 'suggest the desirability, and thus the obviousness, of making the combination." Alco, 808 F.2d at 1498. In determining obviousness, prior art should not be evaluated in isolation; rather, it must be considered in light of the secondary considerations such as commercial success, copying, long felt but unmet need, failure of others and unexpected results.[22] Id.; Panduit, 810 F.2d at 1659.

Having set forth some, most, or all of the law to be applied in determining the issue of validity or invalidity, it becomes clear that that determination is fact-sensitive. It is

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[21] This is precisely why Papetti's must claim that the idea of combining aseptic packaging with pasteurization was obvious.

[22] For purposes of summary judgment, Papetti's does not dispute that the secondary considerations favor Michael and, certainly, the PTO in the second Official Action agreed. It promises, however, that should a trial be necessary, it intends to dispute these considerations.

also clear that given the motion before the court - Papetti's motion for partial summary judgment of invalidity - genuine issues of material fact (and serious evidentiary problems)[23] mandate that the motion be denied.

Moreover, as alluded to earlier, the recent action of the PTO cements the conclusion that denial of Papetti's motion is appropriate. On July 13, 1992 and October 14, 1992, the PTO rendered two official actions in the reissue proceeding filed, pursuant to 35 U.S.C. § 251, with reference to the '408 patent. In a nutshell, the first Official Action rejected all of the claims of the '408 patent as unpatentable. Following the response of plaintiff North Carolina State University, and following a review of, among other things, all of the invalidity arguments pressed on this court by Papetti's and all of the briefs to this court, the

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[23] For example, Papetti's predicates its argument that the "category 1" claims without the aseptic packaging step were anticipated under section 102(b) by its own prior use primarily on the declarations of Mr. A. Papetti and Dr. Rizvi. Wholly aside from any conclusion to be drawn from those declarations were they unchallenged, plaintiffs have launched a broadside attack on the declarations themselves. Similarly, plaintiffs raise a substantial hearsay issue as to the notebooks of Ted Polny as wall as alleging that the truthfulness of those portions of the notebooks to which Papetti's points is "highly questionable". Moreover, the Hanson, Knight, and Murdock articles are the subject of great dispute. Aside from the issue of purported inequitable conduct in not citing these references to the PTO, Papetti's claims that the articles, although not "suggesting" it, nevertheless report functional pasteurization of liquid whole egg products under thermal conditions which fall above the 5% SPL (BATCH) line. Papetti's has not shown that each and every element of the claimed invention is disclosed in a single prior art reference and, indeed, it would be unable to make such a showing. In re Spada, 911 F.2d 705 (Fed.Cir. 1990). A prior art disclosure that "almost" meets the standard of anticipation, however, may render a claim invalid for obviousness under § 103. Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1548 (Fed. Cir. 1983). "Almost", of course, is for the factfinder, not for the court on a motion for summary judgment. What is not forth above is merely illustrative of the host of factual and evidential disputes which remain to be resolved. Certainly, the court cannot say as a matter of law or even as a matter of clear and convincing evidence that the patents in suit are invalid.

PTO reversed itself and found, in its second Official Action, that claims 3 through 19 of the '408 patent - the pertinent claims here - are patentable over the prior art cited and the arguments presented by Papetti's, which it rejected one by one before concluding that the "Applicants ... discovered a way to successfully process eggs to extend their refrigerated shelf-life. This success is clearly a breakthrough ... This revolutionary discovery is exactly the type worthy of patent protection". (Myers' Letter, Oct. 16, 1992, Exh. A at 13). Thus, as plaintiffs put it, Papetti's has no evidence "upon which a reasonable juror could find that there is clear and convincing evidence that claims of the '408 patent asserted in Plaintiffs' infringement motion are invalid." Myers, Letter, Oct. 16, 1992 at 5.

Wholly apart from whether the end result of the reissue proceeding will be consistent with the second Official Action and, if so, whether that end result will go the jury with the "strong evidentiary value" that plaintiffs argue is their due, id. at 4, an issue the court does not now decide, if there were any doubt prior to the second Official Action that Papetti's motion for partial summary judgment of invalidity should be denied, the findings and result of that action mandate a denial now. Moreover, because plaintiffs have not moved for summary judgment of validity, this court is not now required to determine whether Papetti's can demonstrate, as it suggests it can, that the determination in the second Official Action of patentability "was premised on the thinnest of reeds" (Mentlik Letter, Oct. 20, 1992, at 2), although Papetti's will certainly have an uphill road if and when that time comes.[24] All this court is required to now determine, however, is whether Papetti's motion for summary judgment of invalidity should be granted or denied and, given the second Official Action, even Papetti's does not seriously argue that that determination can go other than one way.

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[24] And, of course, as noted earlier, what is and is not prior art is a legal determination. Panduit Corp. v. Dennison Manufacturing Co., supra, 810 F.2d at 1568.

Papetti's motion for partial summary judgment of invalidity will be denied.

V. INEQUITABLE CONDUCT

Finally, a decision on Papetti's counterclaim alleging that the patents in suit are unenforceable based on inequitable conduct will, in an exercise of caution, await decision on the issue of validity given the fact that the allegation of undisclosed prior art underlies both. Plaintiffs correctly observe, in support of their motion for summary judgment on Papetti's counterclaim, that prior art which does not invalidate a patent cannot be considered material and, if not material, failure to disclose that prior art cannot be a basis for a finding of inequitable conduct. Myers Letter, April 29, 1992, at 10. If, however, a patent is found to be invalid for reasons such as are alleged here, a finding that at this juncture seems highly unlikely, a finding of inequitable conduct would follow if the fact finder found clear and convincing evidence of an intent to deceive the PTO. Given that the decision on validity must await another day, so, too, will the interrelated issue of inequitable conduct.

Plaintiffs' motion for summary judgment on inequitable conduct will be denied.

* * *

The court will issue an appropriate order.

/s/_____
MARYANNE TRUMP BARRY
U.S.D.J.

Dated: November 10, 1992

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC., and NORTH CAROLINA STATE UNIVERSITY,	:	Civil Action No. 89-4645 (MTB)
Plaintiffs,	:	
v.	:	ORDER
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	
Defendant.	:	

For the reasons expressed in this court's opinion of even date,

It is on this 10th day of November, 1992

ORDERED that plaintiffs' motion for summary judgment of infringement be and is hereby granted; and it is further

ORDERED that defendant's motion for summary judgment of noninfringement be and is hereby denied; and it is further

ORDERED that defendant's motion for partial summary judgment of invalidity be and is hereby denied; and it is further

ORDERED that plaintiffs' motion for summary judgment on defendant's counterclaim of inequitable conduct be and is hereby denied.

/s/
MARYANNE TRUMP BARRY
U.S.D.J.

NOT FOR PUBLICATION

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC., and NORTH CAROLINA STATE UNIVERSITY	:	Civil Action No. 89-4645 (MTB)
Plaintiffs,	:	
v.		OPINION
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	
Defendant.	:	

BARRY, District Judge

The parties are again before this court with plaintiffs, Michael Foods, Inc. and North Carolina State University (hereinafter "Michael" or "plaintiffs"), having picked up on the broad hint in this court's opinion of November 10, 1992 and now moving for partial summary judgment on defendant Papetti's Hygrade Egg Products, Inc. (hereinafter "Papetti's" or "defendant's") defenses relating to patent validity and, again, on enforceability. Defendant has cross-moved -- again -- for partial summary judgment of invalidity, this time as to certain of Michael's claims, and seeks, as well, "a ruling as to the materiality of withheld prior art". For the reasons which follow, defendant cannot meet its burden of proving by clear and convincing evidence that claim 15 of the '425 patent, claim 1 of the '759 patent, and claims 4 and 15 of the '408 patent are invalid or that the patents in suit are unenforceable. Thus, plaintiffs' motion for partial summary judgment will be granted. And, for reasons related thereto but different therefrom, defendant's motion will be denied.

The undisputed facts and this court's claim interpretation, which enabled it to conclude that the four "fairly representative" claims were infringed by Papetti's, are set forth in some detail in this court's November 10th opinion and will not be repeated here.[1] So, too, is a discussion of the law applicable to Papetti's unsuccessful motion for partial summary judgment of invalidity on the "category 1" claims, although this court failed, following that discussion, to factor in the presumption of validity and, given that presumption, the burdens -- and lack thereof -- on the respective parties.[2]

Michael moves for partial judgment on Papetti's defenses based on everything now before the court and stresses, in its moving brief, fairly recent developments, i.e., the Final Action received in the reissue proceeding instituted by Michael as to the '408 patent (the last of the continuations involved in this litigation), a proceeding in which the court expressed interest in its earlier opinion, and what it calls the "final judgment" following a jury trial in Florida against Bartow Food Company, which concluded with a finding that the '425 patent (the first of the patents in

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[1] This court has interpreted the four claims at issue in the patents in suit in the course of its infringement analysis. The parties do not dispute that, once interpreted, those claims must be "given the same meaning for purposes of both validity and infringement analyses". Smithkline Diagnostics, Inc. v. Helena Laboratories Corp., 859 F.2d 878, 882 (Fed. Cir. 1988).

[2] Thus, this court appeared to treat defendant's motion as the usual summary judgment motion in which denial in mandated when facts are in dispute. While noting Papetti's "uphill road" in ever being able to establish by clear and convincing evidence that the patents in suit are invalid, the court denied a summary judgment because it believed at that time that issues of material fact existed. Summary judgment on invalidity should, of course, have been denied but, given the presumption of validity and the burdens of the parties, it should have been denied, as it will now be, as a matter of law.

suit in this litigation) was valid and enforceable and had been willfully infringed.[3]

Papetti's happily invokes the reissue proceeding insofar as the Patent and Trademark Office ("PTO") maintained rejections as to certain claims no longer at issue here,[4] but excoriates Michael, and to a lesser extent the Examiner, for the Examiner's conclusion that claims 3 through 19 of the '408 patent are patentable over the prior art cited and the arguments presented and the Examiner's withdrawal of the other prior art rejections related to those claims "because the entire process is neither disclosed nor suggested in the prior art and the secondary considerations outweigh any prima facie case".[5] (Second Official Action,

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[3] Michael also invokes "the Papetti Patent", a patent which issued to defendant in December 1992 with Stephen Papetti named as the inventor for an invention which "relates to an apparatus and methodology producing bakeable liquid egg having an extended refrigerated shelf life" (Patent No. 5,167,976, Col. 1 lines 7-9, Ex. 121). Michael maintains that this patent and how it came to be are particularly relevant to the issue of the lack of materiality of the references which Papetti's alleges should have been disclosed to the PTO by the inventors of the patents in suit and the issue of inequitable conduct. (Pl. Moving Br. at 6-7). The Papetti patent will be referred to infra.

[4] Plaintiffs have represented that they "do not now and will not in the future assert against Papetti's process presently at issue in this law suit any claims other than those which Papetti's has already been found to infringe". (Pl. Reply Br. at 2). Thus, among other claims, Michael will not be asserting claims as to which the Examiner maintained rejections in the reissue proceeding.

[5] Papetti's argues, as to conclusions with which it is unhappy, that the reissue proceeding was essentially ex parte and, thus, the Examiner did not have evidence before him which would have led to a conclusion of unpatentability. It does not dispute the fact, however, and fact it be, that Michael provided the Examiner with Papetti's briefs on the previous summary judgment motions, and much of its underlying evidence, including the two declarations of Arthur Papetti. Moreover, for probably good and sufficient tactical reasons, such as now being able to complain of the ex parte nature of the proceeding, Papetti's

(continued...)

at 11-13, Ex. 118). And, as to the Florida litigation, Papetti's questions whether there is yet a final judgment and complains that "the impecunious defendant essentially made no effect to introduce some of the most basic and compelling prior art evidence upon which Papetti's relies, and was prevented -- improperly -- from offering prior art evidence which should have been readily admitted and considered by the jury". Def. Br. at 2.

Papetti's, in these regards, worries too much, for neither the reissue proceeding nor the finding of the Florida jury -- wholly aside from whether the judgment is yet "final" -- is dispositive here although, it should be noted, Papetti's would have this court find the former dispositive insofar as the Examiner rejected certain claims. An examiner's decision on an original or reissue application is, however, "evidence the court must consider in determining whether the party asserting invalidity has met its statutory burden by clear and convincing evidence", and, upon reissue, the burden of proving invalidity is "made heavier". Custom Accessories, Inc. v. Jeffrey-Allan Industries, Inc., 807 F.2d 955, 961 (Fed. Cir. 1986), quoting Interconnect Planning Corp. v. Feil, 774 F.2d 1132, 1139 (Fed. Cir. 1985). And, as to the Bartow litigation, while the result therein does not render the patents in suit invincible, a prior finding regarding validity is entitled to some weight, which weight can decrease as the quality and quantity of new evidence presented by a new challenger increases. See Stevenson v. Sears, Roebuck & Co., 713 F.2d 705 (Fed. Cir. 1983); Harrington Mfg. Co. v. Powell Mfg. Co., 623 F. Supp. 872 (E.D.N.C. 1985), aff'd, 815 F.2d 1478 (Fed. Cir. 1986).

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[5](...continued)
stonewalled the Examiner in the reissue proceeding. It, therefore, comes with some ill grace to now argue that the record before the the Examiner was incomplete and misleading and, thus, that, to the extent the Examiner found against Papetti's, he was wrong. And to the extent that Papetti's argues that "highly relevant evidence" was not provided to the Examiner providing "additional" evidence of inequitable conduct, this argument is rejected out of hand.

A patent is presumed valid; indeed, each claim of a patent is presumed valid independent of the validity of the patent's other claims. 35 U.S.C. § 282. This presumption of validity is never destroyed. Stratoflex Inc. v. Aeroquip Corp., 713 F.2d 1530 (Fed. Cir. 1983). The burden on the party challenging validity -- here, Papetti's -- is to "establish facts, by clear and convincing evidence, which persuasively lead to the conclusion of invalidity". Avia Group Int'l. Inc. v. L.A. Gear California, Inc., 853 F.2d 1557, 1562 (Fed. Cir. 1988); Hybritech, Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367 (Fed. Cir. 1986), cert. denied, 480 U.S. 947 (1987). The grant of summary judgment is wholly appropriate where that burden has not been met. Avia Group, 853 F.2d at 1561.

Here, as in most patent infringement cases, the infringer has challenged the validity of the patents in suit and, thus, the court must determine whether the infringer has sustained its burden of proving invalidity. If there is a failure of proof in this regard, a court will conclude that a patent has not been proven invalid. It need not conclude -- although, of course, it may -- that the patent is valid because the patent is presumed to be valid. Stratoflex, 713 F.2d at 1534.

Courts are not bound by the PTO's decision to issue a patent; nonetheless, the PTO is due the deference given a "qualified government agency presumed to have properly done its job, which includes one or more examiners who have some expertise in interpreting the references and to be familiar from their work with the level of skill in the art and whose duty it is to issue only valid patents". American Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1359 (Fed. Cir.), cert. denied, 469 U.S. 821 (1984). If, as suggested earlier, a challenger comes forward with no evidence other than that reviewed by the examiner who considered the patent application -- and, the court suggests, the examiner in the reissue proceeding -- the challenger's task is most difficult. Id.

And so, as here, typically the challenger points -- or attempts to point -- to "material evidence" not before the PTO during the application process. Id. at 1359-60. The "material evidence" to which Papetti's points, i.e., alleged prior art, includes (1) prior pasteurization and knowledge by Papetti's; (2) articles by Hanson and Murdock and the VPI work; and (3) prior and public dissemination by the inventors of their later patented work. And, to the extent that the prior art did not provide for pasteurization followed by aseptic packaging, Papetti's claims that the combination of these two well known ideas was "obvious".

The defense of anticipation must fail. For purposes of 35 U.S.C. § 102, a product or process has been anticipated if all of the material elements of that product or process are present in a single prior art reference. RCA Corp. v. Applied Digital Data Systems, Inc., 730 F.2d 1440 (Fed. Cir.), cert. dismissed, 468 U.S. 1228 (1984). All of the elements need not be expressly present in the single reference, however, because there exists a judicially created doctrine of inherency, but all of the elements must be present either expressly or inherently in the reference. See Verdegaal Bros., Inc. v. Union Oil Co., 814 F.2d 628 (Fed. Cir.), cert. denied, 484 U.S. 827 (1987); Tyler Refrigeration v. Kysor Indus. Corp., 777 F.2d 687 (Fed. Cir. 1985). If it is argued that an element is inherently present, as it is argued here, evidence in support of that argument "must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill." Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1268 (Fed. Cir. 1991). Probabilities or possibilities are not sufficient. Id. at 1269.

This court found, on the last go around on invalidity, that "Papetti's has not shown that each and every element of the claimed invention is disclosed in a single prior art reference and, indeed, it would be unable to make such a showing". Opinion, Nov. 12, 1992, at 24, n.23. Papetti's does not take issue with that finding and nothing that has been presented to the court subsequent to the finding

suggests that it was wrong. Moreover, Papetti's has not come close to making "clear" that the missing elements, certain of which are to be discussed infra, are inherently or necessarily present in any prior art reference it presses on the court.[6] Finally, the Examiner, on the reissue proceeding, did not find that any of the claims of the '408 patent was anticipated by any of the references he considered. Michael's motion for summary judgment on the defense of anticipation will be granted. Papetti's has not persuasively shown any anticipatory prior art and no genuine issue of material fact is present with respect to this defense.

Neither has Papetti's shown invalidity under the obviousness test of 35 U.S.C. § 103. The Supreme Court in Graham v. John Deere Co., 383 U.S. 1 (1966), interpreted and applied § 103:

> Under 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.

Id. at 17-18. "The test is whether the claimed invention, considered as a whole, would have been obvious or nonobvious". Jones v. Hardy, 727 F.2d 1524 (Fed. Cir. 1984). The determination of the obvious-nonobvious

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[6] The court will assume that the references pressed on it are, in fact, prior art references, an assumption in which as to certain references (e.g., the NC-133 report and the Willamette materials) the court has little confidence.

question, while based on a foundation formed of all the probative facts, is one of law. Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561, 1566 (Fed. Cir.), cert. denied, 481 U.S. 1052 (1987) (Panduit II). And here, again, the presumption mandated by § 282 is applicable with the presumption being that the invention would not have been obvious to "a person having ordinary skill in the art" when the invention was unknown and just before it was made. Id. at 1566, 1570.

There are two key legal inquiries before the obvious-nonobvious determination can be made under § 103, as interpreted by the Graham court: (1) What is the invention claimed?; and (2) what is the prior art? Panduit II, 810 F.2d at 1567-68. With reference to the first, this court has already interpreted the claims for purposes of its infringement analysis, and it is undisputed that that interpretation controls as to the validity analysis. With reference to the second, some discussion is required.

The parties dispute what is and what is not prior art. Given the presumption of validity and the concomitant burden on Papetti's, it is Papetti's that must prove, by clear and convincing evidence, that a reference it invokes is prior art and not Michael which must prove that it is not. As noted earlier, the alleged prior art on which Papetti's primarily relies on this motion includes prior pasteurization and knowledge by Papetti's; articles by Hanson and Murdock and the VPI work; and prior, supposedly public, dissemination by the inventors of their later patented work. This court will not determine which, if any, of the "prior art" cited by Papetti's is not, in fact, prior art but, again, will assume that it all meets the test.

As noted earlier, Papetti's argues that the actions of the reissue Examiner, particularly in the Second Official Action, reaffirm the clear and convincing nature of certain of its evidence which, of course, pertains to claims which Michael no longer presses in this litigation. Papetti's, however, has offered no reasonable basis for concluding, given the wealth of Papetti's materials that were before the

Examiner, that the Examiner's actions do not reaffirm the clear and convincing nature of certain of Michael's evidence as well. Moreover, while as above indicated, courts are not bound by the events in or decisions of the PTO, "there is no point or value in, and no warrant for, proceeding as though nothing happened before suit except the naked issue" -- or reissue -- "of a patent". Panduit Corp. v. Dennison Mfg. Co., 774 F.2d 1082, 1096 (Fed. Cir. 1985), vacated on other grounds, 475 U.S. 809 (1986) (Panduit I), on remand, 810 F.2d 1561 (Fed. Cir.), cert. denied, 481 U.S. 1052 (1987).

As relevant to the 35 U.S.C. § 103 determination, the Examiner found as follows as to the claims which remain at issue:

> The rejection under 35 U.S.C. § 103 based on Papetti's prior use is withdrawn because the arguments presented are persuasive. Nothing that was done by Papetti's indicates the ability to extend shelf-life, nor is there any reason or motivation to combine the Papetti prior use with the VPI work.
>
> The other rejections under 35 U.S.C. § 103 of the processes, except for that cited [at VII], are withdrawn because the entire process is neither disclosed nor suggested in the prior art and the secondary considerations outweigh any prima facie case.
>
> The allowable claims all require the use of turbulence, the creation of an extended shelf life and specific times and temperatures in relation to the amount of soluble protein loss. None of the Applicants own disclosures, either the [Samimi] thesis or the NC-133 document, placed the entire invention in the hands of the public, or made it obvious in combination with the other cited

> references. The Hanson and Moller-Madsen Documents and the VPI work cited in the specification do not teach all the features required by the claims and there is no indication in the art that would lead one of ordinary skill to proceed as claimed.
>
> The Applicants, working over 35 years after the Hanson et al. teaching, discovered a way to successfully process eggs to extend their refrigerated shelf-life. This success is clearly a breakthrough. The record is replete with evidence that the egg industry views this process as revolutionary. The commercial success enjoyed by the Applicants' process is proof of this breakthrough. This revolutionary discovery is exactly the type worthy of patent protection.

Second Official Action at 12-13.

These findings, while succinct, were ringing and eminently correct, and Papetti's has not wasted much time attempting to argue to the contrary as to most of the findings. Rather, the thrust of Papetti's objection is predicated on the Murdock reference, essentially because the Examiner found the use of turbulence during contact heating to be critical to the claimed result of an extended shelf life product and, implicitly, found turbulence lacking in Murdock and Hanson.[7] Papetti's alleges that the Examiner "seems to have relied" in reaching that conclusion on only one portion of Murdock and not on a "far more pertinent portion". Def. Br. at 14. An Examiner "is required to consider references in their entireties...." Panduit I, 774 F.2d at 1094. Wholly apart from the sheer speculation as to what the Examiner "seems" to have done, he clearly relied on what he found to be pertinent, and Papetti's has not shown that he was wrong.

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[7] Papetti's concedes that the finding as to Hanson was "probably correct". Def. Br. at 14.

Assuming that the Examiner was correct in finding that the turbulence was a feature of the invention which distinguished it from prior art,[8] (and wholly aside from whether the statement in the specification on which the Examiner initially focused was or was not an admission as to what was disclosed in the prior art,[9]) Papetti's has not shown that Murdock used turbulence as part of its process. First, Papetti's concedes, as it must, that turbulence (as well, of course, as aseptic packaging) is "not expressly recited in Murdock". Def. Br. at 14. It argues, rather, that pasteurization conducted on plate-type HTST installations "necessarily and inherently would include turbulence during heating -- since that is how HTST plate heat exchangers are designed to operate". Id. This, states Papetti's, the reissue Examiner "simply didn't know" and "clearly did not appreciate". (Def. Reply Br. at 9, 13). Apparently, he also "clearly did not appreciate" the supposed inherent disclosure of turbulence in the NC-133 Report, which he specifically found, aside from any other problem with the Report, did not place the entire invention in the hands of the public or make it obvious in combination with the other cited references. And, certainly, given the paucity of Papetti's showing that certain of the prior art contained inherent disclosures of turbulence, no triable issue of fact exists as to

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[8] It appears, at least to the court, that the results of the Second Official Action and the Examiner's focus on turbulence have caused the parties to shift gears -- at least somewhat -- from when these issues were first addressed by them.

[9] Michael takes issue with the Examiner's finding, in maintaining the rejection of certain claims under 35 U.S.C. § 103 over Hanson or Murdock, that "applicants admit at column 2, lines 1-3 of the specification that merging the techniques of ultrapasteurization with aseptic packaging to produce a stable and functional liquid whole egg has been suggested in the art". First Official Action at 8. See also Second Official Action at 11. Be that as it may, it is certainly relevant to the inequitable conduct motion that the Examiner did not base his rejection on a prior art reference, much less one that was withheld, but, rather, on what he believed was an admission.

whether it would have been obvious to those of ordinary skill to employ turbulence.

And turbulence aside, this court has found, in its earlier opinion interpreting the claims, an interpretation which Papetti's wholly ignores, that to produce an extended shelf life product preselection is a necessary element of each of the claims. No contention is made by Papetti's that any prior art reference teaches or suggests the preselection methodology required by the claims or that it, particularly when followed by aseptic packaging, would have been obvious to those of ordinary skill in the art.[10]

Having noted these differences between the claimed invention and the prior art, it is important to note, as well, that the difference is not the invention. The statute requires that the invention as claimed be considered "as a whole" when considering whether that invention would have been obvious when it was made. Jones, 727 F.2d at 1528. Moreover, each prior art reference be evaluated as an entirety and all of the prior art must be evaluated as a whole. See W.L. Gore & Associates., Inc. v. Garlock, Inc., 721 F.2d 1540, 1550 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984). Virtually always there exists pertinent and relevant prior art which was not considered by the PTO, with elements of the invention found in the prior art performing their expected function. The presumption of validity does not changed based on that art.

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[10] Papetti's, which has the burden here, has submitted no evidence defining the level of ordinary skill in the art. It seems clear, however, that for a variety of undisputed reasons, highly educated workers in the field, with sophisticated technology, could not solve the problems that were encountered in their attempts to discover a way to process eggs to extend their refrigerated shelf life before the highly educated inventors were able to do so. See Environmental Designs, Ltd. v. Union Oil Co., 713 F.2d 693 (Fed. Cir. 1983), cert. denied, 464 U.S. 1043 (1984). And, importantly, the hypothetical person with ordinar skill in the art is presumed to be aware of all the pertinent prior art. Custom Accessories, Inc., 807 F.2d at 962.

Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1549 (Fed. Cir. 1983).

No prior art reference cited here, considered in its entirety, nor the prior art as a whole, taught or suggested to one skilled in the art when the invention was made (unaided, of course, by the invention) the combination claimed or that any combination, if taught or suggested, would equal any claimed in the patents in suit. As the Panduit I court noted, "That one could invent such a cable tie is unquestioned. Caveney did. The question, however, is never whether an invention could be made, but whether there is anything in the prior art as a whole that would have rendered its making obvious to one skilled in the art when the invention was made". 774 F.2d at 1092, n.16. There was little or nothing in the prior art relevant here to rebut the presumption of validity.

Not only is the prior art inadequate, secondary considerations serving as objective evidence of nonobviousness of the claimed invention are strong and the requisite nexus between the invention and those secondary considerations apparent. Strong secondary considerations indicating nonobviousness weigh heavily in the determination of obviousness; indeed, strong secondary considerations can establish that an invention, even if obvious in light of the prior art, was not. Panduit II, 810 F.2d at 1571. See also Custom Accessories, 807 F.2d at 960 (objective evidence can be the most probative evidence of nonobviousness in the record). And, of course, the reissue Examiner found that in addition to the fact that the entire process was neither disclosed nor suggested in the prior art and was a "revolutionary discovery", the "secondary considerations outweigh any prima facie case". Second Official Action at 12.[11]

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[11] Papetti's dismisses the evidence of secondary considerations before the examiner (and, specifically, industry praise) as "basically nothing more than self-serving hearsay generated by Michael itself". (Def. Reply Br. at 13). There was much before the Examiner than that (continued...)

There was a long felt but unsolved need for an extended shelf life liquid whole egg product -- frozen, dried, and fresh eggs each posed problems -- and a consensus that could such a product be produced, the market for it would be enormous.[12] In the early 1980's, approximately thirty five years after Hanson and twenty years after Murdock, the inventors began their research, thereafter investing years of effort and much money before achieving their successful result. Between 1979 and 1985, researchers from VPI similarly attempted to extend the shelf life of liquid whole egg products, attempts which failed and were abandoned. In 1988, Papetti's failed in its attempt at Chesapeake Farms to aseptically package liquid whole eggs. In a nutshell, no one but the inventors succeeded.

At the time that Michael's claimed invention was made, no other process fulfilled the need that it fulfilled and the impact both on it and on the egg industry was, indeed, enormous. Thus, Michael claims, and the evidence is overwhelming on this score, that since the first ultrapasteurized liquid whole egg product in the history of the industry was introduced by Morning Glory Eggs, Inc., the licensee of the inventors, and as a result of the benefits of utilizing the methods of the patents in suit and the concomitant industry demand with new markets opening up (Burger King, Marriott, e.g.), it has enjoyed outstanding commercial success. Over 300,000,000 pounds of extended shelf life liquid whole egg products have been manufactured

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[11](...continued)
"self-serving hearsay", as a perusal of the briefs in this action, which were submitted to the Examiner, makes clear. Hearsay aside, Papetti's does not argue that the egg industry did not view the process as a "revolutionary discovery".

[12] Papetti's does not dispute the fact that there was a need for such a product but argues that that need was not long felt, dating back only to 1987. Def. Br. at 21. It is absolutely clear, however, that the need which led to the invention was of long standing, given the efforts to meet that need from at least as early as 1979.

and sold by Morning Glory and Michael since the invention of the patents in suit and the placing of the product on the market. And, Michael adds, by utilizing the methods of the patents in suit, Papetti's has manufactured and sold over 64,000,000 pounds of its own extended shelf life or ultrapasteurized liquid whole egg products since it entered the market in 1989. Papetti's has not disputed these figures.

Moreover, even assuming that elements of the methods of the patents in suit were in prior art such as Hanson and Murdock, those elements and that prior art were available for decades to all skilled workers without suggesting anything like the claimed invention. That, in itself, is evidence of nonobviousness. And, certainly, the invention was not obvious to the researchers at VPI, Papetti's, and Bartow who tried and wasted research resources and money and, perhaps, in Papetti's case and, almost certainly, in Bartow's case, found it necessary to copy Michael's process.[13] That others had tried for years and failed to create a process as superior as Michael's process is "virtually irrefutable evidence" that the process of the patents in suit would not have been obvious to those skilled in the art when it was invented. Panduit I, 774 F.2d at 1099. And, of course, is it virtually impossible to believe that Papetti's and others would have continued to try (and to fail) to achieve what had been obvious all along.

In sum, aside from disputing Michael's contention that Papetti's deliberately copied Michael's process, which contention this court does not consider, and aside from attacking the hearsay nature of isolated examples of industry praise and commercial success, Papetti's has submitted no objective evidence of its own and does not dispute this compelling objective evidence of nonobviousness, evidence so strong that it could withstand much more pertinent prior art than that relied on by Papetti's, if such existed.

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[13] This court cannot find as a fact, on the disputed allegations before it, that Papetti's copied the patented invention. Neither can it find that it did not.

Papetti's has not begun to have met its burden of showing by clear and convincing evidence that the patents in suit, which are presumed valid, are invalid either because they were anticipated under 35 U.S.C. § 102 or because they were obvious under 35 U.S.C. § 103.[14] Michael's motion for summary judgment on the defense of invalidity will granted and Papetti's cross-motion will be denied.[15]

Given all of the foregoing, Papetti's defense of inequitable conduct must similarly fail. Papetti's recognizes that Michael's disclaimer of infringement as to all but the four claims which have been found to infringe "may" moot certain issues as to those claims but argues that "the effect of Murdock and the other withheld references on the now-unasserted claims is still a critical issue because ... inequitable conduct as to even one claim will render all four patents unenforceable ...." (Def. Reply Br. at 6). While that legal proposition is correct, see J.P. Stevens & Co. v. Lex Tex Ltd., 747 F.2d 1553, 1561 (Fed. Cir. 1984), cert. denied, 474 U.S. 822 (1985), the predicate is lacking. Papetti's has not made a prima facie case of

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[14] Papetti's alleged, earlier in this litigation, that the patents in suit were invalid under 35 U.S.C. §§ 101 and 112. It has never put any meat, either through argument or the identification of any supporting evidence, on the bare bones of this allegation and, indeed, §§ 101 and 112 are even cited in Papetti's briefs on these motions. Michael's motion as to these defenses will be granted.

[15] Papetti's cross-moves for summary judgment of invalidity as to those claims of Michael as to which the Examiner maintained his rejection during the reissue proceeding and others of what it calls the "same scope", claims no longer at issue in this litigation, arguing that no reason exists why at least such claims should not be held invalid. Papetti's is wrong. If the reissue proceeding is not preclusive as to claims which were not rejected, then surely it is not preclusive when the issue underlying the rejection has not yet been finally resolved by the PTO and when, in this court, Papetti's is faced with both the presumption of validity and the clear and convincing standard, neither of which were operative before the PTO.

inequitable conduct as to even one claim much less proven its defense by clear and convincing evidence.

Inequitable conduct during the prosecution of a patent, it is well understood, must be both material and intended. At least a threshold level of materiality of the non-disclosed or false information, i.e., a "substantial likelihood that a reasonable examiner would have considered the omitted reference or false information important in deciding whether to allow the application to issue as a patent", id. at 1559-60, must be shown by clear and convincing evidence. Specialty Composites v. Cabot Corp., 845 F.2d 981, 991 (Fed. Cir. 1988). So, too, at least a threshold level of intent to mislead or deceive the PTO, i.e., that the applicant was, at least, grossly negligent, must also be shown by clear and convincing evidence. Id. Gross negligence is present when the actor, judged as a reasonable person in his position, should have known of the materiality of a withheld reference. J.P. Stevens, 747 F.2d at 1560. "[W]here it is demonstrated that a reasonable examiner would merely have considered particular information to be important but not crucial to his decision not to reject, a showing of facts which would indicate something more than gross negligence or recklessness may be required...." Specialty Composites, 845 F.2d at 993, quoting American Hoist & Derrick, 725 F.2d at 1363. Materiality and intent are factual issues. J.P. Stevens, 747 F.2d at 1562. Unenforceability is a question of law. Connell, 722 F.2d at 1551.

Papetti's bases its defenses on the by now familiar Hanson and Murdock references allegedly withheld by Michael from the PTO on the prosecution of the patents in suit[16] and found during the reissue proceeding to be, in

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[16] Papetti's also raised, but does not press, the NC-133 Report and the PSA materials. In any event, PSA materials were cited to the PTO and were virtually the same as the NC-133 Report which the Examiner found in the reissue proceeding did not disclose all of the steps recited in the claimed process. The Examiner specifically declined

(continued...)

Papetti's phrase, "critically material", forming the basis for a final rejection of certain claims and "leaving only the issue of deceptive intent to be tried...." (Def. Br. at 3-4). Michael argues that Papetti's cannot meet its burden of proving materiality and intent and that the Examiner's actions cement that conclusion. Michael is correct.[17]

Clearly, the Examiner did not deem those references "material" as to those claims which he allowed over these same references and others which prompted him to find a "revolutionary breakthrough". See J.P. Stevens, 747 F.2d at 1562 ("[T]he result of a PTO proceeding that assesses patentability in light of information not originally disclosed is of strong probative value in determining whether the nondisclosed information would have been material"). Moreover, the few claims which were rejected as being unpatentable over Hanson and Murdock were rejected only in view of what the Examiner found to be the admission in the specification as to what the prior art disclosed, which finding Michael continues to challenge. Certainly, the Examiner did not reject the claims by combining Hanson or Murdock with anything found in the art. The presumably

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[16](...continued)
to decide whether the NC-133 Report is or is not a printed publication for 102(b) purposes because it was unnecessary to do so. Second Official Action at 11-12.

[17] Michael also argues that the Hanson and Murdock articles cannot have been material to Michael's invention because those supposedly material references were not cited by Stephen Papetti in obtaining his recent patent which, as noted earlier, was based on an invention Papetti describes as directed to a process for producing pasteurized liquid egg products having an extended refrigerated shelf life and retained baking functionality. Papetti's responds that the Papetti process is directed to a different and improved invention as to which Michael's patents in suit were the most relevant prior art (and which, Michael notes, were never submitted to the PTO), and that the Hanson, Murdock and Knight articles were merely cumulative. This court, less than thrilled at the prospect of starting all over with the Papetti patent, will not because it need not weigh the significance, if any, of Papetti's failure to cite Hanson and Murdock.

"reasonable" Examiner simply did not consider the omitted references important, much less crucial and material, in deciding whether to allow the patent to be reissued. ~~This~~ court, too, does not find the Hanson and Murdock articles material;[18] indeed, their relationship to the great bulk of the claims of the patents in suit was simply not close.

Neither has a threshold level of intent to mislead or deceive the PTO been shown; significantly, Papetti's implicitly conceded the paucity of evidence in this regard by merely concluding that the issue of deceptive intent must be tried or that the withheld references are so material that even absent evidence of intent, intent should be inferred or that a lesser showing of intent would suffice. Moreover, the degree of materiality of the withheld references is low and, balancing materiality and intent, as the court is required to do, a relatively high degree of intent must be shown before it can be said that Papetti's has sustained its burden; indeed, even if the degree of materiality is higher than this court believes it to be, there still would exist, at best, a low degree of intent. The best that Papetti's has come up with is bits and pieces neither individually or together beginning to evidence deliberate scheming or reckless or grossly negligent activity,[19] much less the "something more" where, as here, there is no evidence that the Examiner considered Murdock and Hanson "crucial" to his decision not to reject.

Balancing materiality and intent, Papetti's has not met its burden of making even a threshold showing by clear

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[18] It follows inexorably from the foregoing that Papetti's cross-motion, which seeks a ruling that the materiality of these references has been conclusively established, must be denied.

[19] For what it is worth, the failure to disclose even a material patent reference is not deemed "particularly egregious" because the examiner has a way of securing the information on his own. Paragon Podiatry Laboratory, Inc. v. KLM Laboratories, Inc., 984 F.2d 1182, 1193 (Fed. Cir. 1993).

and convincing evidence of inequitable conduct during prosecution.

CONCLUSION

Michael's motion for partial summary judgment on Papetti's defenses is granted. Papetti's cross-motion for partial summary judgment of invalidity as to certain of Michael's claims is denied, as is its request for a ruling as to the materiality of withheld prior art.[20]

The court will issue an appropriate order.

/s/_____
MARYANNE TRUMP BARRY

Dated: July 12, 1993

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[20] In the court's view, this opinion and the accompanying order dispose of all outstanding liability issues, and a trial on damages is all that remains. In the event that Michael were to assert in the future that Papetti's new process infringes the patents in suit, an assertion it has not yet made at least by way of amended complaint, a new complaint must be filed. That complaint, of course, will be allocated and assigned in accordance with Rule 11 of the General Rules of this court.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC., and NORTH CAROLINA STATE UNIVERSITY, Plaintiffs, v. PAPETTI'S HYGRADE EGG PRODUCTS, INC., Defendant.	Civil Action No. 89-4645 (MTB)

AMENDED FINAL JUDGMENT EXCEPT FOR ACCOUNTING

Plaintiffs Michael Foods, Inc. ("Michael") and North Carolina State University ("NCSU") having commenced this action and having in due course filed a Second Amended Complaint asserting infringement by defendant Papetti's Hygrade Egg Products,Inc. ("Papetti's") of U.S. Patent No. 4,808,425 ("the '425 patent"), 4,957,759 ("the '759 patent"), 4,994,291 ("the '291 patent") and 5,019,408 ("the '408 patent"); and

Papetti's having filed a counterclaim seeking a declaratory judgment of noninfringement, invalidity and unenforceability with regard to the '425, '759, '291 and '408 patent; and

Plaintiffs Michael and NCSU having filed a motion for summary judgment of infringement and summary judgment striking Papetti's defense of unenforceability, and Papetti's having filed a motion for summary judgment of noninfringement and a cross-motion for summary judgment of invalidity; and

This Court having issued an Opinion and having entered an Order on November 12, 1992 granting plaintiffs' motion for summary judgment as to infringement, denying plaintiffs' motion seeking to strike Papetti's defense of unenforceability, and also denying Papetti's motion for summary judgment of noninfringement and Papetti's cross-motion for summary judgment of invalidity; and

Papetti's having filed a motion for partial reargument with regard to the Court's grant of plaintiffs' motion for summary judgment of infringement and the Court's denial of Papetti's motion for summary judgment of noninfringement; and

This Court having issued an Opinion and having entered an Order on February 18, 1993 denying Papetti's motion for partial reargument; and

Plaintiffs having made a motion for partial summary judgment on defendant's defenses, including the defenses plead by defendant under Sections 101, 102, 103 and 112 of Title 35 of the United States Code, and Papetti's having cross-moved for partial summary judgment of invalidity and a ruling as to the materiality of withhold prior art; and

This Court having issued an Opinion and having filed an Order on July 12, 1993, granting plaintiffs' motion for partial summary judgment on defendant's defenses of invalidity and unenforceability including the defenses plead by defendant under Sections 101, 102, 103 and 112 of Title 35 of the United States Code and denying Papetti's cross-motion for partial summary judgment of invalidity and a ruling on the materiality of withheld prior art; and

The Court's disposition of the foregoing motions having disposed of all outstanding liability issues, such that

the only issues remaining in this action relate to the questions of damages;[1]

NOW THEREFORE, it is hereby ORDERED, ADJUDGED and DECREED that:

1. This Court has jurisdiction over the subject matter of this action and personal jurisdiction over the parties. Venue is proper in this Judicial District;

2. Claim 15 of the '425 patent, Claim 1 of the '759 patent and Claims 4 and 15 of the '408 patent are not invalid; and the '425 patent, the '759 patent, the '291 patent and the '408 patent are not unenforceable;

3. All of Papetti's processes accused of infringement in this lawsuit infringe Claims 15 of the '425

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[1] Given the parties' latest skirmish on their cross-motions to amend the judgment, this Court makes the following observations in the course of granting plaintiffs' motion and granting in part (correction of the typographical error) and denying in part defendant's motion.

First, the Court did not explicitly address the "gabletop" process in its prior opinions because if that issue was even raised, it was buried in the rooms full of materials and briefs relevant to the host of issues to which, unlike the gable-top issue, the parties paid attention. Stated somewhat differently, where the parties had not thought to develop what is now called the "gable-top dispute", this Court certainly would not and did not do so on its own; indeed, the gable-top issue was so unfamiliar to the Court that when, on July 19, 1993, it was first mentioned by defendant in support of its proposed judgment, the Court incorporated ¶ 3 of that proposed judgment. That aside, no distinction was made in this Court's opinions (or in the parties' briefs which preceded those opinions) between a brickpak aseptic package and a gable-top aseptic package (and aseptic the gabletop package is, as defendant, until now, has admitted and as the evidence confirms) because the Court viewed defendant's accused activities as involving a single process. That process was found to have infringed, with defendant at no time asserting that the gable-top package would make a difference which, of course, it does not.

Second, with reference to defendant's "pull date" argument, a pull date on the package is not a requirement of the claims at issue of the patents in suit.

patent, Claim 1 of the '759 patent and Claims 4 and 15 of the '408 patent;

4. Papetti's, its officers, agents, servants, employees, and attorneys and those persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently enjoined from making, using or selling the process found by this Court to infringe;

5. Plaintiffs Michael and NCSU having represented that they do not now and will not in the future assert against Papetti's process at issue in this lawsuit any claims of the patents in suit other than those Papetti's has been found to infringe, all claims by plaintiffs Michael and NCSU for infringement of the '425, '759, '291 and '408 patents other than Claims 15 of the '425 patent, Claim 1 of the '759 patent, and Claims 4 and 15 of the '408 patent, are dismissed with prejudice;

6. Papetti's counterclaim is dismissed with prejudice; and

7. This judgment in this patent infringement action is final except for an accounting within the meaning of 28 U.S.C. § 1292(c)(2).

/s/_____
MARYANNE TRUMP BARRY, U.S.D.J.

Newark, New Jersey
September 21, 1993

Title 28, United States Code (1982)

§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction --

(1) of an appeal from a final decision of a district court of the United States, ... if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title ....

* * *

Title 28, United States Code (1982)

§ 1338. Patents, plant variety protection, copyrights, mask works, trade-marks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.

* * *

Title 35, United States Code (1982)

§ 251 Reissue of defective patents

Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

* * *

The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent, except that application for reissue may be made and sworn to by the assignee of the entire interest if the application does not seek to enlarge the scope of the claims of the original patent.

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

Title 37, Code of Federal Regulations (1986, 1988 - 1990)

§ 1.56 Duty of disclosure; fraud; striking or rejection of applications.

(a) A duty of candor and good faith toward the Patent and Trademark Office rests on the inventor, on each attorney or agent who prepares or prosecutes the application and on every other individual who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application. All such individuals have a duty to disclose to the Office information they are aware of which is material to the examination of the application. Such information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent. The duty is commensurate with the degree of involvement in the preparation or prosecution of the application.

* * *

Title 37, Code of Federal Regulations (1991)

§ 1.176 Examination of reissue.

An original claim, if re-presented in the reissue application, is subject to reexamination, and the entire application will be examined in the same manner as original applications, subject to the rules relating thereto, excepting that division will not be required. Applications for reissue will be acted on by the examiner in advance of other applications, but not sooner than two months after announcement of the filing of the reissue application has appeared in the *Official Gazette*.

RULES OF PRACTICE
before the
UNITED STATES
COURT OF APPEALS
for the
FEDERAL CIRCUIT

Federal Rules of Appellate Procedure
[with amendments through Dec. 1, 1993]
Federal Circuit Rules
Practice Notes
and
Guide for Pro Se Petitioners and Appellants

EFFECTIVE: June 1, 1993
[Reissued Dec. 1, 1993]

Rule 35. Determination of causes by the court in banc

* * *

Practice Note

* * *

Nonprecedential dispositions. A suggestion for rehearing in banc is rarely appropriate if the appeal was the subject of a nonprecedential disposition by the panel of judges that heard it.

Rule 47.6. Opinions and orders of the court

* * *

(b) *Dispositions of appeals, petitions and motions; precedential effect.* -- Dispositions of appeals, petitions and motions may be announced in an opinion or order. Appeals and petitions may also be disposed of in a judgment of affirmance without opinion (see Fed. Cir. R. 36). Every disposition may be cited as precedent of the court except those which are issued bearing a legend thereon specifically stating that the disposition may not be cited as precedent.

(c) *Nonprecedential opinions and orders.* -- Opinions and orders which are designated as not citable as precedent are those unanimously determined by the panel at the time of their issuance as not adding significantly to the body of law. Opinions and orders so designated shall not be employed or cited as precedent. This rule does not preclude assertion of issues of claim preclusion, issue preclusion, judicial estoppel, law of the case or the like based on a decision of the court rendered in a nonprecedential opinion or order.

(d) *Requests to make an opinion or order precedential, time for filing.* -- Within 60 days after any nonprecedential opinion or order is issued, any person may request that the opinion or order be reissued as a precedential disposition, giving reasons therefor. Such request will be determined by the panel that rendered the disposition. The opinion or order may be reprepared as appropriate.

(e) *Public records.* -- All dispositions by the court in any form shall be in writing and shall be public records.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC. and NORTH CAROLINA STATE UNIVERSITY	:	
Plaintiffs,	:	Civil Action No. 89-4645 (MTB)
v.	:	
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	
Defendant.	:	

DEFENDANT'S BRIEF (1) IN OPPOSITION TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT ON DEFENDANT'S DEFENSES AND (2) IN SUPPORT OF PAPETTI'S CROSS-MOTION FOR PARTIAL SUMMARY JUDGMENT OF INVALIDITY AND A RULING AS TO THE MATERIALITY OF WITHHELD PRIOR ART

Return Date: June 14, 1993

* * *

IV. THE PATENTS-IN-SUIT ARE INVALID IN VIEW OF EVIDENCE NOT REFLECTED IN ACTIONS TAKEN BY THE PTO EXAMINER DURING REISSUE

A. Prior And Public Dissemination By The Michael Inventors of Their Later-Patented Work

In Papetti's prior motion for partial summary judgment of invalidity, one of the categories of prior art on which Papetti's relied was the prior and public dissemination by the Michael inventors of their later-patented work. That prior art consisted of the "NC-133 Report" (Tr. Exh. 2065) and the "PSA Materials" (Tr. Exhs. 2072-2075). See Papetti's Inf. Op. at 19-27. As discussed above, in the First Official Action during the reissue proceeding, the PTO Examiner initially rejected all of the claims under 35 U.S.C. § 102 as being anticipated by the NC-133 Report. Although the Examiner withdrew that rejection in the Second Official Action and did not base any rejection on the PSA Materials, in fact, both such items of prior art anticipate or render obvious all claims of the patents-in-suit, as they have now been interpreted by this Court. At the very least, issues of fact remain to be decided with respect thereto.

1. The NC-133 Report

In the Second Official Action, the Examiner withdrew his initial rejection over the NC-133 Report "because it does not disclose all of the steps recited in the claimed process." (Tr. Exh. 2196B at 11-12). But what the NC-133 Report does disclose is a process for ultrapasteurization of liquid whole eggs at specific temperature and time combinations, one of which falls above the 5% SPL (Batch) line of Figure 3 of the patents-in-suit, and aseptic packaging of such pasteurized eggs to obtain a packaged liquid whole egg product characterized by a refrigerated shelf life exceeding 12 weeks. Thus, in terms

of the claims of the patents-in-suit, all that is missing from the NC-133 Report is a specific recitation of the details of the pasteurization process utilized and the type of equipment on which it was accomplished.

As set forth in the Declaration of Dr. Arthur J. Maurer (a member of the NC-133 Committee) submitted herewith, one of ordinary skill in the art, at or about the time that the NC-133 Report was distributed to members of the NC-133 Committee and others, would have understood that the ultrapasteurization process discussed in the NC-133 report was one involving the use of conventional HTST continuous pasteurization apparatus. (Maurer Decl.¶¶ 12-18). That being the case, such process necessarily would have included all of the specific pasteurization process steps recited in the various claims of the patents-in-suit (including turbulence), all of which also were acknowledged by Dr. Samimi to have been known in the art prior to the alleged inventions of the patents-in-suit (*see* Samimi Dep. at 223-227 and 264-268). Dr. Maurer's opinion in this regard was corroborated by Dr. Frank Cunningham, another member of the NC-133 Committee who had received a copy of the NC-133 Report when it was distributed in March of 1985. (Cunningham Dep. at 46-52). And this is not at all surprising since, in point of fact, conventional HTST continuous pasteurization apparatus is precisely what was used to generate the data set forth in the NC-133 Report regarding the ultrapasteurization process in question.[17] At the very least, an issue of fact exists as to how one of ordinary skill in the art would interpret the

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[17] Mr. Sibley testified that, in his opinion, one of ordinary skill in the art reading the NC-133 Report "might conclude it was done on a Teflon tube heat exchanger," and that it "wouldn't be a likely conclusion" that it was done on a conventional plate-type heat exchanger (Sibley 3/3/93 Dep. at 97-98). Mr. Sibley so testified despite his knowledge that the work was actually done on a conventional contact heat exchanger and, moreover, the total absence of any evidence that anyone other than the VPI workers had ever utilized or even attempted to utilize a Teflon tube heat exchanger to pasteurize liquid egg products.

NC-133 Report, thus precluding summary judgment in Michael's favor on this matter.

With regard to the question of whether the NC-133 Report is indeed prior art to the patents-in-suit, the PTO Examiner, of course, never reached that issue (Tr. Exh. 2196B at 12), although he did indicate in the First Official Action that he considered the document to be a printed publication within the meaning of 35 U.S.C. § 102(b) (Tr. 2196A at 5). In any event, subsequent to the Court's disposition of the prior summary judgment motions, additional discovery was taken by Papetti's with regard to the issue of whether the NC-133 Report constitutes prior art.[18] It is respectfully submitted that the results of that discovery establish beyond any reasonable dispute that such report is indeed a printed publication under the case law as previously relied on by Papetti's with respect to this issue. (*See* Papetti's Inf. Op. at 22-23). In any event, again, at the very least an issue of fact remains to be tried on this issue, thus precluding summary judgment in Michael's favor.[19]

2. The PSA Materials

The availability of the PSA Materials as prior art to the patents-in-suit was demonstrated in Papetti's briefs in connection with the previous summary judgment motions. (*See* Papetti's Inf. Op. 22-23, 25-27). The PSA Materials disclose everything in the NC-133 Report and more, since

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[18] *See* Woodward Dep. at 8-20; Froning Dep. at 11-34, 40-45; Mountney Dep. at 20-27, 35-41; Cunningham Dep. at 17-41; and Wilkinson Dep. at 7-34, 59-67; *see also* Maurer Decl. ¶¶ 5-9.

[19] Michael had previously relied on a declaration by Dr. Glenn Froning to refute Dr. Woodward's testimony and to support Michael's contention that the NC-133 Report is not available as prior art. (Michael Inv. Op. at 30-32). Significantly, however, when Dr. Froning testified in deposition, he effectively recanted his declaration and fully corroborated Dr. Woodward's testimony, as well as that of the other witnesses who testified on this issue. (*See* Froning Dep. at 11-45).

they specify the precise type of pasteurization equipment utilized to conduct the work reported on therein. Although the PSA Materials do not expressly describe the specific steps practiced when utilizing that equipment, again, as Dr. Maurer's declaration states, one of ordinary skill in the art would have readily understood how such equipment operates and that use of that equipment would entail practicing each of the specific pasteurization process steps recited in the various claims of the patents-in-suit -- including "turbulence," which the PTO Examiner considered so critical to patentability. (Maurer Decl. ¶¶ 12-18).

As a final matter, while Michael disputes that the PSA Materials sent to Molly Murphy and Merle Kirk of Willamette Eggs constitute prior art, it does not dispute the prior art status of the Abstract of the PSA meeting held July 29 - August 2, 1985 which Ms. Murphy attended (Tr. Exh. 2061). As it turns out, given this Court's interpretation of the claims of the patents-in-suit, there is enough in the Abstract alone to invalidate the claims, particularly when it is considered in light of evidence as to what one of ordinary skill in the art would understand from the document and, as to certain of the claims, in light of other prior art evidence.

Specifically, the PSA Abstract discloses ultrapasteurization of liquid whole egg at times and temperatures above USDA-required minimums, and aseptic packaging of the pasteurized eggs to yield a packaged egg product having a refrigerated shelf life in excess of 12 weeks. Essentially, the PSA Abstract discloses the same thing disclosed in the NC-133 Report, with the sole exception of a specific time and temperature combination which falls above the 5% SPL (Batch) line of Figure 3 of the patents-in-suit.

As for those claims which do not require processing above the 5% SPL (Batch) line, the PSA Abstract renders the claims invalid for the same reasons discussed above with respect to the NC-133 Report -- one of ordinary skill in the art would fully understand that the ultrapasteurization process disclosed therein was carried out on conventional

HTST apparatus and, accordingly, would include all of the claimed pasteurization process steps. (*See* Maurer Decl. ¶¶ 12-18). As for those claims which require processing at conditions above the 5% SPL (Batch) line, it is submitted that one of ordinary skill in the art would consider it obvious to do so in light of any or all of the various prior art high-temperature pasteurization processes, including those relied upon by the Examiner in support of his final rejection of claims in the reissue proceeding. Again, at the very least, issues of fact remain to be tried as to how one of ordinary skill in the art would interpret the PSA abstract and the appropriateness of combining its teachings with other prior art, thus precluding summary judgment in Michael's favor.

V. SUMMARY JUDGMENT IN MICHAEL'S FAVOR ON INEQUITABLE CONDUCT IS NOW MORE INAPPROPRIATE THAN EVER

Based entirely on the fact that Papetti's did not cite the Hanson, Murdock and Knight articles in obtaining Papetti's own improvement patent (a patent that has nothing whatever to do with this litigation), Michael now contends that it is entitled to summary judgment striking Papetti's inequitable conduct defense -- a request which this Court previously denied. In actuality, recent events have only enhanced the likelihood that Papetti's will prevail on the issue of inequitable conduct which, if established as to any claim of the patents-in-suit, will render all of the patents unenforceable.[20] By focusing its motion on only four of the asserted claims, Michael ignores the clear evidence of invalidity as to other of its claims over certain of the

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[20] *See Kingdown Medical Consultants, Ltd.* v. *Hollister, Inc.*, 863 F.2d 867, 877 (Fed. Cir. 1988) (*in banc*); *Consolidated Aluminum Corp.* v. *Foseco International, Ltd.*, 910 F.2d 804 (Fed. Cir. 1990) (unenforceability as to one patent renders closely related patents unenforceable); *see also Hewlett-Packard Co.* v. *Bausch & Lomb, Inc.*, 882 F.2d 1556 (Fed. Cir. 1989) (inequitable conduct during prosecution of a reissue application renders all claims carried over from the original patent unenforceable as well).

withheld art, the materiality of which, as now discussed below, can no longer be seriously questioned.

A. The Reissue Proceedings Demonstrate Conclusively The High Materiality Of The Withheld References

As demonstrated above, the Hanson and Murdock references formed the basis of prior art rejections during the reissue proceeding. Indeed, a number of Michael's claims remain under final rejection based upon these references. Thus, if there was ever any doubt as to whether these uncited references were "material," that doubt now has been erased beyond dispute. Accordingly, Papetti's cross-motion seeks a ruling that materiality of these withheld references has been established beyond any genuine issue, leaving only the question of intent to be resolved at trial.[21]

In *J.P Stevens & Co., Inc.* v. *Lex Tex, Ltd.*, 747 F.2d 1553, 1562 (Fed. Cir. 1984), the District Court had essentially ignored a reissue proceeding in which rejections had been based upon references withheld during the original prosecution. In holding this to be error, the Court stated:

> [T]he starting point for determining materiality is the PTO standard, i.e., a substantial likelihood that a reasonable examiner would have considered the nondisclosed information important in deciding whether to allow the application to issue as a patent. Consequently, the result of a PTO proceeding that assesses patentability in light of information not originally disclosed is of strong probative value in determining

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[21] Papetti's inequitable conduct defense is also based on affirmative misrepresentations of material fact and withholding of additional prior art (namely, the NC-133 Report and the PSA Materials). There is nothing in what Michael has argued here in support of its present motion which even addresses these issues, and accordingly, Papetti's defense with respect thereto still remains to be tried.

> whether the nondisclosed information would have been material.
>
> The rejections ... in the reissue proceeding indicate that those references were clearly important to the PTO in deciding that most of the process claims were unpatentable. Those references would have been equally important in the original prosecution.... That importance, alone, establishes the materiality of those references -- as long as the rejections were themselves reasonable.

See also In re Jerabek, 789 F.2d 886, 890 (Fed. Cir. 1986), in which the Federal Circuit affirmed a finding of materiality, stating, "The results of the PTO reissue examination proceedings were plainly of strong probative value on the materiality of the [previously withheld] reference." *Id.* at 890. Moreover, since the withheld reference provided a particular teaching which the Applicant had argued was missing from the prior art, the court in *Jerabek* found it "clear that a reasonable examiner would have found the reference very material in determining the patentability of the appellant's [invention]." *Id.*

That is precisely the case here: Michael told the PTO that pasteurization above the 5% line had not been done previously, selectively citing only that data from Hanson, Murdock and Knight which was <u>below</u> the line while suppressing the actual articles which gave data above the line. As explained in a recent case:

> [T]here is a duty to disclose or to even go so far as to "red flag" contradictory information with regard to test results, where results appear to be in sharp contrast with what the applicant is telling the Patent Office, since the Patent Office is incapable of verifying comparative tests and has to rely upon the candor of the parties submitting those test results.

Golden Valley Microwave Foods, Inc. v. *Weaver Popcorn Co.*, 24 U.S.P.Q.2d 1801, 1826 (N.D.Ind. 1992). Michael not only did not "red flag" the data from Hanson, Murdock and Knight which belied their assertions; Michael didn't cite it at all!

B. Stephen Papetti's Patent Is Completely Irrelevant

The fact that Hanson, Murdock and Knight were not cited by Stephen Papetti in obtaining his own patent is truly a "red herring". By way of background, on December 1, 1992, Papetti's was issued U.S. Patent No. 5,167,976 ("the '976 patent"), based on an invention by Stephen Papetti. Mr. Papetti's invention is directed to a two-step process for producing pasteurized liquid egg products having both an extended refrigerated shelf life and retained baking functionality. Retained baking functionality is not obtained when manufacturing extended shelf-life liquid egg products according to the processes disclosed in the patents in suit, or the process practiced by Michael, or Papetti's prior commercial process.[22] The two-step process claimed in Papetti's '976 patent seeks to avoid the type of detrimental thermal treatments utilized in the manufacture of the extended shelf-life products at issue here which, although resulting ....

* * *

... evidence such as that embodied in Ms. Harding's deposition, and in the absence of Papetti's or anyone else having an opportunity to present a different point of view, and in the face of Michael's arguments to the contrary, how could the Examiner have ruled otherwise?

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[22] For a discussion of the process disclosed in Mr. Papetti's patent, see the 2/24/92 deposition of Stephen Papetti at 11-18, 25-28 and 71-76.

In *Penn Yan Boats, Inc.* v. *Sea Lark Boats, Inc.*, 359 F. Supp. 948, 965 (S.D.Fla. 1972), *aff'd*, 479 F.2d 1338 (5th Cir.), *cert. denied*, 414 U.S. 874 (1973), the court addressed a situation in which material information was submitted along with voluminous other information under circumstances in which the PTO could not reasonably be expected to perceive the relevance of the damaging information:

> Obviously, the purpose of this misrepresentation was to bury the Wollard patent in a long list of allegedly old prior art patents in the hope that the Patent Examiner, having already allowed the ... claims, would ignore the list and permit the ... patent to issue. Such conduct clearly violates the required standard of candor and fair dealing with the Patent Office. [The patentee] had a clear obligation to call the Wollard patent to the attention of the Patent Office in a proper fashion and to attempt to patentably distinguish his claimed invention from the disclosure of the Wollard patent.

In following this holding, the PTO states at § 2004 of the MPEP, ¶ 13:

> It is desirable to avoid the submission of long lists of documents if it can be avoided. Eliminate clearly irrelevant and marginally pertinent cumulative information. If a long list is submitted, highlight those documents which have been specifically brought to applicant's attention and/or are known to be of most significance.

Clearly, here Michael did nothing of the sort.

VI. PAPETTI'S CROSS-MOTION SHOULD BE GRANTED

While Papetti's believes that the PTO's allowance of certain claims should not have any preclusive effect against Papetti's (due to the *ex parte* nature of the proceeding), the same is not true of the converse proposition. Michael had a full, fair and exclusive opportunity to convince the PTO Examiner to allow all of its claims; but notwithstanding such one-sided presentation, the PTO concluded that claims which did not include both turbulence and aseptic packaging were not patentable. Papetti's respectfully submits that this ruling should be binding upon Michael and dispositive as to all claims in the four patents in suit which do not include both limitations.

Michael's claims which do not include limitations requiring both turbulence and aseptic packaging are under final rejection, and they have been withdrawn by Michael from its reissue application. Given these facts, and given the fact that Michael had every opportunity to present both admissible and inadmissible evidence in support of these claims but failed to obtain their allowance, all claims of similar scope should not be held invalid. *See Stevenson, supra*, 713 F.2d at 711-13, where claims held invalid in a prior litigation were held invalid on the basis of collateral estoppel, notwithstanding that the claims had been held "valid" in yet another proceeding.

Additionally, as noted above, there can no longer be any dispute that at least the Hanson and Murdock reference were highly material prior art and were withheld during the original prosecution. Accordingly, Papetti's respectfully requests partial summary judgment that the materiality of Hanson and Murdock has been established for purposes of Papetti's inequitable conduct defense.

* * *

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC. and NORTH CAROLINA STATE UNIVERSITY	:	
Plaintiffs,	:	Civil Action No. 89-4645 (MTB)
v.	:	
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	
Defendant.	:	

x

PAPETTI'S REPLY BRIEF IN SUPPORT OF ITS CROSS-MOTION FOR PARTIAL SUMMARY JUDGMENT OF INVALIDITY AND A RULING AS TO MATERIALITY OF WITHHELD PRIOR ART

Return Date: June 28, 1993

* * *

... Exh 2196A at 8), he was correct and never should have changed his mind.

D. PAPETTI'S HAS DEMONSTRATED THAT ITS EVIDENCE OF INVALIDITY IS BOTH CLEAR AND CONVINCING

Both in the context of Michael's motion and Papetti's cross-motion, Michael asserts that while Papetti's may well have evidence of invalidity and unenforceability, Papetti's is still not entitled to proceed to trial since such evidence does not rise to the level of the "clear and convincing" standard.[8] Michael is mistaken. Given the clear and unquestionable fact that the reissue Examiner found at least certain of Papetti's evidence clear (even without Papetti's having an opportunity to fully explain it) and was himself convinced as to the invalidity of at least certain of Michael's patent claims (in the face of a one-sided presentation by Michael), certainly a reasonable juror could likewise consider the evidence clear and could likewise be convinced as the facts establishing invalidity and unenforceability in a true *inter partes* proceed.[9]

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[8] That Papetti's bears the burden of proving patent invalidity by clear and convincing rather than a proponderance of the evidence is of no consequence to this Court's disposition of the present motions. So long as material disputed facts appear in the record, summary judgment in Michael's favor should be denied "regardless of the evidentiary weight of those facts." *American Ceramicraft, Inc. v. Eisenbraun Reiss Inc.*, Civ. No. 92-2851, slip op. at 22 n.7 (D.N.J. June 16, 1993 (copy attached).

[9] In attempting to refute Papetti's demonstration of the unfairness of reissue proceedings to protestors (Papetti's Opposition Br. at 4-7), Michael claims that "the *in banc* Court of Appeals for the Federal Circuit" supposedly has a greater understanding of the realities of PTO practice than district judges who have criticized the proceedings (Michael Reply at 24 n.6), citing *In re Etter*, 756 F.2d 852, 856-862 (Fed. Cir.) (*in banc*), *cert. denied*, 474 U.S. 828 (1985)

(continued...)

As already discussed, the reissue Examiner was -- and continues to be -- convinced that the prior art invalidates at least Michael's broadest claims. While the same Examiner was admittedly persuaded that the presence of turbulence and "secondary considerations" rendered certain claims patentable, this occurred under circumstances where the Examiner simply didn't know that critical references, such as the withheld Murdock article, inherently taught turbulence to one skilled in the art, or that the evidence of "secondary considerations" was basically nothing more than self-serving hearsay generated by Michael itself.[10] At the very least, the evidence of invalidity

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[9](...continued)

In fact, the views referred to by Michael were from a concurring opinion of only three judges, which was not joined by the other nine then-active judges on the Federal Circuit. Indeed, the *Etter* concurrence, written as it was during the early years of PTO reexamination, could not have contemplated the degree to which reexamination has become a vehicle for laundering invalid patents. Michael also renews its attack on Papetti's decision not to submit a broader protest dealing with all prior art issues, going so far as to accuse Papetti's of violating a duty of candor! (Michael Reply at 25). But the case cited by Michael, *Ball Corp. v. Xidex Corp.*, 967 F.2d 1440, 1447 (10th Cir. 1992), involved an assertion that an adverse attorney withheld from the PTO information which would have been favorable to the patentee, ultimately concluding that the withheld information was not material. Clearly, Papetti's election to allow the issues of patentability to be adjudicated in this court (the forum chosen by Michael) bears no resemblance whatsoever to Xidex.

[10] In support of its assertions of commercial success, Michael now submits depositions of three individuals (Michael SJ Exhs. 158-160) taken in a securities action, which apparently involved claims that Michael improperly used the patents here in suit to promote its stock. While Michael describes this testimony as "additional information [which] has subsequently been obtained," in fact, these depositions were taken in August of 1992, before argument was held on the prior summary judgment motions. In any event, since Papetti's was not a party to the securities litigation and had no opportunity to cross-examine

(continued...)

relied upon by Papetti's is strong, persuasive and convincing -- and certainly sufficient to demonstrate the need for a trial.

In its November 10, 1992 Opinion (at 24 n.23), this Court noted that a prior art disclosure that "almost" meets the standard of anticipation may render a claim invalid for obviousness, citing *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983). The Court further noted that "almost" is for the fact-finder, not for the court in a motion for summary judgment, and that a "host of factual and evidential disputes" remained to be resolved at that time. To the extent factual issues existed seven moths ago, even more such issues exist today. The declaration of Dr. Maurer establishes, *inter alia*, that the withheld Murdock reference inherently discloses turbulence to one skilled in the art. The actions by reissue Examiner reaffirm the clear and convincing nature of certain of the evidence relied upon by Papetti's, and the showing made by Papetti's in its opposition brief with regard to Michael's evidence of "secondary considerations" demonstrates that material issues of fact exist even as to issues such as industry acceptance and long-felt need. That being the case, it is respectfully submitted that while summary judgment would be appropriate in favor of Papetti's on its cross-motion for a finding of invalidity as to certain of Michael's patent claims, Papetti's is entitled to its day in court to prove invalidity of the rest of Michael's claims, and nothing Michael has argued establishes otherwise.

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[10](...continued)
the witness (nor is there any indication that Michael's adversary there had the same or similar motive as Papetti's to do so), the testimony is inadmissible hearsay in this action. Fed. R. Evid. 804(b)(1). "Hearsay evidence, inadmissible at trial, cannot be considered on a motion for summary judgment." *Garside v. Osco Drug, Inc.*, 895 F.2d 46, 50 (1st Cir. 1990)

III. CONCLUSION

Based on all of the foregoing, it is respectfully submitted that Papetti's cross-motion should be granted in all respects and that Michael's motion should be denied.

Respectfully submitted,

LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK

Dated:_____ By: /s/_____
William L. Mentlik

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

MICHAEL FOODS, INC. and NORTH CAROLINA STATE UNIVERSITY	:	
Plaintiffs,	:	Civil Action No. 89-4645 (MTB)
v.	:	
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	:	
Defendant.	:	

x

DECLARATION OF ARTHUR J. MAURER

I, ARTHUR J. MAURER, declare that:

1. I am a Professor of Poultry Science at the University of Wisconsin in Madison, Wisconsin. I received a Bachelor of Science Degree in Poultry Science from Pennsylvania State University in 1964, a Master of Science Degree in Food Science from Cornell University in 1966, and a Doctor of Philosophy Degree in Food Science from

Cornell University in 1970. I began employment as an Assistant Professor at the University of Wisconsin in 1970, and reached full professor status in 1981. While I have been employed at the University of Wisconsin, I have spent approximately 70% of my time conducting research in the field of Poultry Products Technology (including ....

* * *

... that what was being suggested and reported on in these materials was the use of a conventional and commercial HTST apparatus, and not some other type of pasteurization apparatus. At the very least, the use of an HTST apparatus is what would have been suggested to one of ordinary skill in the art. Moreover, an HTST apparatus was in fact what was used by the NCSU researchers to perform their experiments reported in these materials, as confirmed by the copy of the article forwarded by Dr. Ball to Ms. Murphy and Mr. Kirk and by what was subsequently included in the patent application maturing into the patents-in-suit.

16. As of April, 1985 and before, conventional and commercial HTST egg pasteurization apparatus typically comprised a plate-type heat exchanger or other contact heat exchanger through which the liquid egg product is passed in a continuous stream to thereby heat the liquid egg product to a predetermined real temperature by contacting the liquid egg product to a heated surface. Moreover, in conventional and commercial HTST apparatus, the heated liquid egg product would then pass through holding tubes to hold the heated liquid egg product at the predetermined temperature for a specified holding time. Still further, with such conventional and commercial HTST apparatus, it was also typical to employ homogenizers after the heat exchange unit and prior to holding. After passing through the holding tubes, the liquid egg product would then pass through a cooling section of the HTST apparatus to cool the liquid egg product.

17. Furthermore, it was well known and understood in the art of egg pasteurization, as of April,

1985 and before, that during the heating of the liquid egg product, the liquid egg product is typically subjected to turbulence for a major portion of the time that the liquid egg product is heated. Indeed, the fact that turbulence is provided is and was one of the reasons that plate heat exchangers were commonly employed in conventional and commercial HTST egg pasteurization apparatus -- i.e., to provide for a more uniform heating of the liquid being conducted therethrough (see, for example, the articles and excerpts from handbooks of APV Crepaco, Inc. and Alfa-Laval attached hereto as Exhibits L-0). I also understand that Dr. Samimi testified during his deposition that it was known and conventional in egg pasteurization to employ plate-type heat exchangers and that it was known that such pasteurization apparatus was designed to subject the egg product to turbulence.

18. It is also my opinion that as of April, 1985, a person of ordinary skill in the art of pasteurization would have known and understood that liquid egg product which is pasteurized using a conventional and commercial HTST pasteurization apparatus would be subjected to turbulence for a major portion of the time that the liquid egg product was heated. Further, it is my opinion that as of April, 1985, a person of ordinary skill in the art of pasteurization would have known and understood that the pasteurization reported on by the NCSU researchers in the 1984 NC-133 Annual Report and/or in the NCSU Progress Report had involved subjecting the liquid egg product to turbulence for a major portion of the time that the liquid egg product had been heated in the conventional and commercial HTST pasteurization apparatus. My opinions in this regard are based on the fact that there was no statement or suggestion in the NC-133 Annual Report or the NCSU Annual Progress Report that something other than a conventional HTST apparatus had been employed in connection with the experiments being reported on, thus indicating to me that no special type of pasteurizing apparatus had been employed or suggested for use in performing pasteurization at the time and temperature conditions reported as having been utilized. The correctness of this conclusion is confirmed by the copy

of the article forwarded by Dr. Ball to Ms. Murphy and Mr. Kirk in August, 1985, which specifically reported that such a conventional type HTST apparatus had been employed in connection with the pasteurization experiments reported therein.

19. Referring now to the Murdock reference (Exhibit F), I note that such article reported on, among other things, the results of egg pasteurization at four permanent HTST installations located in Northern Ireland, Denmark, Germany and England. The type of pasteurization equipment utilized at each of such plants was an HTST system similar to that used for milk pasteurization but differing in the holding mechanisms (namely employing holding tubes of variable length and width as opposed to circulation through heat exchange plates) for the actual period of pasteurization. The conditions of pasteurization reported in such experiments at such HTST installations included pasteurization temperatures of 68°C to 69°C for holding times of three minutes in Denmark and 65.2°C for holding times of nine minutes in Germany (see pages 141-142). The Murdock reference also refers to the fact that HTST plants typically employ plate-type heat exchangers, and that such plate-type HTST plants had been employed in Denmark as early as 1956 and in Germany as early as 1957 (see pages 137-138).

20. It is my opinion that as of at least September, 1985 and prior thereto, one of ordinary skill in the art reading the Murdock reference would have understood that the four permanent HTST installations in Northern Ireland, Denmark, Germany and England on which experiments had been conducted were each plate-type or at least some type of contact-heating HTST installations, and that in each of the reported experiments, the egg product was subjected to turbulence during a major portion of the heating. In this regard, and as noted above, it was well known as of September, 1985, and well prior thereto, that commercial HTST contact-heating pasteurization apparatus typically employed plate-type heat exchangers and that the liquid product being passed therethrough is subjected to turbulence

during a major portion of the time that the product passes through the plate heat exchanger.

21. Based on my review of various prior art materials which I understand Papetti's intends to rely on at trial, it is my opinion that numerous prior art articles and other materials exist which each teach or report on the use of high thermal treatments in egg pasteurization to produce good functional pasteurized liquid egg products, many of which teach or report on the use of conventional-type HTST pasteurization apparatus. These prior art materials include not only the Murdock reference ...

* * *

Dated: 5/20/93

ARTHUR J. MAURER

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CIVIL ACTION NO. 89-4645 (MTB)

MICHAEL FOODS, INC. and NORTH CAROLINA STATE UNIVERSITY	)
PLAINTIFFS,	)
VS.	)
PAPETTI'S HYGRADE EGG PRODUCTS, INC.,	)
DEFENDANT.	)

V O L U M E I

DEPOSITION
OF

M O H A M M A D - H O S S E I N H A M I D - S A M I M I

AT RALEIGH, NORTH CAROLINA
NOVEMBER 27, 1990
9:30 A.M.
REPORTED BY: VALERIE GONZALEZ

* * *

DR. HAMID-SAMIMI

Q. THE PROCEDURES YOU DESCRIBE HERE, WOULD THEY BE APPLICABLE WHETHER YOU ARE IN TURBULENT FLOW OR LAMINAR FLOW?

A. WHAT I HAVE DONE HERE IS BASICALLY APPLICABLE TO LAMINAR FLOW AS FIGURE NO. 1, PAGE NO. 46, INDICATES IN THE CAPTION.

Q. FIGURE NO. 1, PAGE WHAT?

A. PAGE NO. 46.

Q. OKAY. IN FACT, IF YOU WERE APPLYING THIS TO A CONTINUOUS PROCESS, DOESN'T CONTINUOUS PASTEURIZATION OPERATE IN TURBULENT AS OPPOSED TO LAMINAR FLOW?

A. IN SOME REGIONS OF THE PROCESSING SYSTEM, YOU WOULD HAVE TURBULENT FLOW. IN THE MAJORITY OF REGIONS, YOU WOULD HAVE TURBULENT. IN SOME REGIONS, YOU WOULD LAMINAR FLOW.

Q. YOU WERE TRYING TO APPLY YOUR RESEARCH TO MAKE PREDICTIONS AS TO WHAT WOULD HAPPEN IN CONTINUOUS PROCESSING. CORRECT?

A. YES.

Q. WOULD THE PROCEDURES THAT YOU WERE TRYING TO DESCRIBE BE APPLICABLE TO ONLY THAT PORTION OF THE CONTINUOUS PROCESSING, WHETHER IT WAS LAMINAR AND NOT TO THAT PORTION OF THE CONTINUOUS PROCESSING WHERE IT WAS

* * *

DR. HAMID-SAMIMI

A. IT WAS BATCH.
Q. IT WAS BATCH, BUT YOUR RESULTS SPECIFICALLY MADE REFERENCE TO USE OF LAMINAR FLOW?
A. LAMINAR FLOW CONDITIONS, IF IT CAN WORK UNDER CONTINUOUS CONDITIONS, WOULD GIVE YOU MAXIMUM CHANGES IN THE CONSTITUENTS.
Q. AT THE TIME OF YOUR INVENTION, WAS IT GENERALLY KNOWN IN PASTEURIZATION OF EGG PRODUCTS THAT -- CONTINUOUS PASTEURIZATION -- THAT LAMINAR FLOW WAS NOT DESIRABLE FOR CONTINUOUS PROCESSING BECAUSE THE FLOW RATE OF THE EGGS IN THE CENTER OF THE TUBE, IF IT'S LAMINAR FLOW, WOULD BE, I BELIEVE, A TWO TO ONE RATIO TO THE OUTSIDE OF THE TUBE AND, THEREFORE, WOULD NOT BE GETTING THE SAME HEAT TREATMENT? THERE WOULDN'T BE UNIFORM HEAT TREATMENT?
A. SYSTEMS ARE DESIGNED TO CONSIDER LAMINAR FLOW FOR NORMAL PASTEURIZATION.
Q. ARE DESIGNED TO CONSIDER LAMINAR FLOW?
A. RIGHT. BASICALLY, THE TIME/TEMPERATURE THAT USDA REQUIRES CONSIDERS LAMINAR FLOW BECAUSE THAT IS A LIMITING FACTOR FOR PROCESSING.
Q. CONTINUOUS FLOW, HOWEVER, IS CONVENTIONALLY -- I'M SORRY. TURBULENT FLOW WAS CONVENTIONALLY USED IN EGG

DR. HAMID-SAMIMI

PASTEURIZATION EVEN BEFORE YOUR INVENTION. IS THAT CORRECT?

A. IN THE HOLDING LOOP, YOU VERY FREQUENTLY CAN ACHIEVE LAMINAR FLOW.

Q. CAN ACHIEVE IT?

A. RIGHT. IF YOU HAVE -- NORMALLY, IN PROCESSING SYSTEMS, CONVENTIONAL PROCESSING SYSTEMS, YOU WANT TO HAVE THE SHORTEST POSSIBLE LENGTH OF HOLD LOOP. SO, YOU GO TO THE LARGEST DIAMETER. IF YOU INCREASE THE DIAMETER, YOU WOULD HAVE LAMINAR FLOW.

Q. WITHOUT MAKING A CALCULATION BASED ON FLOW RATE AND TUBE DIAMETERS AND THINGS OF THAT SORT, YOU DON'T KNOW WHETHER YOU HAVE LAMINAR OR TURBULENT FLOW. CORRECT?

A. NO.

Q. NOTHING THAT YOU COULD REALLY JUST OBSERVE VISUALLY OR SOMETHING LIKE THAT? YOU HAVE TO MAKE A CALCULATION AND LOOK AT THE REYNOLDS NUMBER?

A. RIGHT.

Q. NOW, AS YOU USE TURBULENT FLOW, AS IT'S DEFINED IN THIS PATENT, ARE YOU USING TURBULENT FLOW IN THE SENSE OF A REYNOLDS NUMBER ABOVE A CERTAIN AMOUNT?

A. YES.

Q. THAT'S WHAT YOU MEAN BY TURBULENT FLOW IN THE CONTEXT

DR. HAMID-SAMIMI

OF THIS PATENT?
A. RIGHT.
Q. THAT'S SIMPLY TURBULENCE?
A. YES. IN THE HOLDING LOOP YOU WOULD NEED TO CALCULATE YOUR REYNOLDS NUMBER.
Q. I AM CORRECT THAT TURBULENCE AND TURBULENT FLOW ARE NOT THE SAME THING. CORRECT?
A. IN THE SENSE OF FLUID FLOW, A REYNOLDS NUMBER OF MORE THAN 2,300 CAN BE CALCULATED FOR ANY TURBULENT FLOW.
Q. BUT IF I SAY I'M INTRODUCING TURBULENCE INTO A SYSTEM, THAT DOES NOT NECESSARILY IMPLY THAT I AM ACHIEVING TURBULENT FLOW?
A. YES. WHEN YOU HAVE TURBULENCE, YOU INDUCE TURBULENCE IN THE SYSTEM, YOU CAN ACHIEVE TURBULENT FLOW.
Q. NOT THAT I CAN ACHIEVE IT. AM I NECESSARILY ACHIEVING TURBULENT FLOW SIMPLY BY MIXING, FOR EXAMPLE, IN ITS CONVENTIONAL SENSE?
MR. MYERS: OBJECTION. ARGUMENTATIVE. INDEFINITE.
Q. DO YOU UNDERSTAND MY QUESTION?
A. BASICALLY, WITH TURBULENT FLOW WE CAN INDUCE TURBULENCE IN A SYSTEM BY MIXING IT. THAT'S TURBULENCE.
Q. IF I INDUCE TURBULENCE, WILL I NECESSARILY ACHIEVE

DR. HAMID-SAMIMI

TURBULENT FLOW.

A. IF YOU CAN SUSTAIN IT.

Q. INDUCING TURBULENCE AT VERY LOW MIXING RATES MAY OR MAY NOT ACHIEVE TURBULENT FLOW IN A GIVEN SYSTEM. ISN'T THAT CORRECT?

MR. MYERS: OBJECTION. INDEFINITE.

A. I DON'T QUITE FOLLOW.

Q. IF I HAVE A SYSTEM AND I HAVE FLUID FLOWING THROUGH THE SYSTEM AT A PARTICULAR FLOW RATE, AND I INDUCE TURBULENCE INTO THAT SYSTEM BY, FOR EXAMPLE, PUTTING SOME BAFFLES, PIPES, WILL THE MERE INTRODUCTION OF BAFFLES BE ENOUGH THAT WHEN I CALCULATE MY REYNOLDS NUMBER, I WILL DETERMINE THAT MY FLOW IS TURBULENT FLOW?

A. THERE ARE EQUATIONS THAT CONSIDER DIFFERENT FLOW PATTERNS. THAT IS, YOU CAN INDUCE TURBULENCE IN A FLOW BY PUTTING MIXERS -- AND THIS IS DONE NORMALLY IN PROCESSING SYSTEMS -- AND YOU CAN ACHIEVE TURBULENCE.

Q. CAN ACHIEVE TURBULENCE?

A. YES.

Q. AGAIN, MY QUESTION IS, THE MERE INTRODUCTION OF TURBULENCE DOES NOT NECESSARILY RESULT IN TURBULENT FLOW. ISN'T THAT CORRECT?

A. YOU HAVE TO SPECIFY HOW THE TURBULENT FLOW IS ACHIEVED.

DR. HAMID-SAMIMI

THAT IS, IN THE HEAT EXCHANGER, HEAT EXCHANGERS ARE DESIGNED TO HAVE TURBULENT FLOW BY HAVING RIBS AND PATTERNS OF FLOW TO INDUCE TURBULENCE. SO WHEN YOU HAVE TURBULENCE, YOU HAVE TURBULENT FLOW BECAUSE IT IS A FLOWING FLUID, AND THERE'S TURBULENCE, SO THERE'S A TURBULENT FLOW.

Q. I UNDERSTAND THAT. THE QUESTION IS -- LET'S SAY I PUT IN ONLY A COUPLE OF BAFFLES. I MAY HAVE INDUCED SOME TURBULENCE, BUT WHEN I MAKE MY CALCULATION, IT MAY NOT RESULT IN TURBULENT FLOW. CORRECT?

A. NO.

Q. IT WILL AUTOMATICALLY, NECESSARILY RESULT IN TURBULENT FLOW EVERY TIME I INTRODUCE TURBULENCE OF ANY KIND?

A. YOU HAVE TO CONSIDER THE EFFECT OF THOSE BAFFLES IN THERE.

Q. I UNDERSTAND THAT. CONSIDERING THE EFFECT.

A. RIGHT. IF YOU CONSIDER THE EFFECT OF THE BAFFLES-IN THERE, YOU WOULD HAVE TURBULENCE AND YOU CAN CALCULATE THAT IF YOU CAN FACTOR IN THE EFFECT OF THOSE BAFFLES IN YOUR REYNOLDS NUMBER.

Q. IN THE WORK THAT WAS DONE THAT'S RECORDED IN THE PATENT, WHEN YOU WERE DOING CONTINUOUS PROCESSING, A CHERRY BURRELL PLATE HEAT EXCHANGER WAS USED. IS THAT

* * *

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CIVIL ACTION NO. 89-4645 (MTB)

MICHAEL FOODS, INC. and)
NORTH CAROLINA)
STATE UNIVERSITY)
)
PLAINTIFFS,)
)
VS.)
)
PAPETTI'S HYGRADE)
EGG PRODUCTS, INC.,)
)
DEFENDANT.)

V O L U M E II

DEPOSITION
OF

M O H A M M A D - H O S S E I N H A M I D - S A M I M I

AT RALEIGH, NORTH CAROLINA
NOVEMBER 28, 1990
9:30 A.M.
REPORTED BY: VALERIE GONZALEZ

* * *

DR. HAMID-SAMIMI/VOLUME 2

LEAST PERIODICALLY SUBJECTING SAID CONTINUOUS STREAM OF LIQUID WHOLE EGG PRODUCT TO TURBULENCE."

A. YES.

Q. AM I NOT CORRECT THE STEP OF PERIODICALLY SUBJECTING A CONTINUOUS STREAM OF LIQUID WHOLE EGG PRODUCT TO TURBULENCE DURING PASTEURIZATION IS SOMETHING THAT WAS CONVENTIONALLY DONE IN PASTEURIZATION BEFORE THE TIME OF YOUR INVENTION?

A. PLATE HEAT EXCHANGERS ARE NORMALLY DESIGNED TO INDUCE TURBULENCE.

Q. AND THAT WAS TRUE AT THE TIME OF YOUR INVENTION?

A. YES.

Q. LET'S LOOK AT CLAIM NO. 6. CLAIM NO. 6 ADDS TO CLAIM NO. 5 THE LIMITATION THAT TURBULENCE IS SUBJECTED -- I'M SORRY -- "WHOLE EGG IS SUBJECTED TO TURBULENCE FOR A MAJOR PORTION OF THE TIME THAT IT IS HEATED."

AM I NOT CORRECT THAT THAT WOULD ALSO BE AN INHERENT FEATURE OF CONVENTIONAL PASTEURIZATION APPARATUS USING A PLATE HEAT EXCHANGER?

A. AS I SAID, PLATE HEAT EXCHANGERS ARE DESIGNED TO INDUCE TURBULENCE.

Q. FOR A MAJOR PORTION OF THE TIME THE PRODUCT PASSING THROUGH IT IS HEATED. CORRECT?

A. DURING HEATING, RIGHT.
Q. SO, AGAIN, THIS WAS SOMETHING THAT WAS CONVENTIONAL AND EXISTED BEFORE THE TIME OF YOUR INVENTION?
A. YES.
Q. CLAIM NO. 7 ADDS TO CLAIM NO. 5 THAT THE "LIQUID WHOLE EGG PRODUCT IS DISPERSED BEFORE HEATING." WHAT DOES THAT MEAN?
A. BEFORE ENTERING THE HEATING SECTION, IF THE EGG CONTAINS AIR BUBBLES, IF IT CONTAINS CLUMPS OF EGG THAT ARE NOT MIXED WELL ENOUGH, IF THE PROTEIN OR FAT CELLS ARE NOT SMALL ENOUGH, IT WOULD CAUSE EXCESSIVE FOULING ON THE PLATE HEAT EXCHANGERS OR ON HEAT EXCHANGERS. DISPERSING THAT INTO SMALLER PARTICLES WOULD REDUCE THE CHANCE OF FOULING.
Q. AM I CORRECT THAT THAT'S DONE, FOR EXAMPLE, WITH A PUMP, PUMPING IT INTO THE SYSTEM?
A. A HIGH SHEAR PUMP WOULD DO THAT.
Q. THAT'S SOMETHING THAT IS AND WAS CONVENTIONAL IN PASTEURIZATION BEFORE THE TIME OF YOUR INVENTION, DISPERSING THE LIQUID PRODUCT BEFORE HEATING?
A. THE LOCATION OF THE PUMP CAN BE RIGHT IN THE BEGINNING OF THE SYSTEM. IT DOESN'T HAVE TO BE FOR CONVENTIONAL, IN THE MIDDLE.

* * *

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Serial Number	**Filing Date**	**First Named Applicant**	**Attorney Docket No.**
08/061,985	05/14/93	Swartzel	50511854

Examiner
Weier,A.

Art Unit	**Paper Number**
1302	13

* * *

Date Mailed
08/31/94

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Part II SUMMARY OF ACTION

1. Claims 1-50 are pending in this application.

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4. Claims 1-50 are rejected.

* * *

Anthony Weier
08/061985 8/17/94

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13. The following is a quotation of 35 U.S.C. § 103 which forms the basis for all obviousness rejections set forth in this Office action:

> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

Claims 1, 2, 18-37, 46, and 47 are rejected under 35 U.S.C. § 103 as being unpatentable over Hanson et al or Murdock et al in view of Applicants' specification at column 2, lines 1-3.

Hanson et al teaches pasteurization of liquid whole eggs at times and temperatures above the 5% SPL (BATCH) line. See Page 279. The eggs were treated at 140-155 degrees F for 0.1 to 10.5 minutes. These treatments had no measurable effect on the stiffness of the custards made with the eggs.

Murdock et al report the work of Moller-Madsen. See page 144. Moller-Madsen pasteurize whole eggs at 70-71 degrees C for 40 to 180 seconds.

It would have been obvious to increase the time and/or temperature of the heating because it is extremely well known that to do so would increase the likelihood that all the bacteria would be killed. Increasing the times and/or temperatures to the claimed levels is not detrimental to the functionality of the eggs because both Murdock et al and

Hanson et al report treating eggs and the claimed times and temperatures without loss of functionality.

The claims differ in that they require the use of aseptic packaging and an extended shelf life. However, it would have been obvious to one having ordinary skill in the art at the time of the invention to have aseptically packaged the eggs made by the processes of Hanson et al and Murdock et al because Applicants' admit at column 2, lines 1-3 of the specification that merging the techniques of ultrapasteurization with aseptic packaging to produce a stable and functional liquid whole egg has been suggested in the art.

14. Claims 3-17, 38-45, and 48-50 are rejected under 35 U.S.C. § 103 as being unpatentable over the references as applied in paragraph above taken together with Stadelman et al.

The claims differ in that said egg product is subjected to turbulence or mixing during heating of same. However, during the pasteurization of liquid egg products which involves surface heating (e.g. plate heat exchanger), it is well known to effect turbulence of same to ensure thorough heating as taught, for example, by Stadelman et al (pages 175-180, specifically page 180, beginning on line 5). It should be further noted that turbulence would also inherently induce a certain amount of mixing. Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention to have employed turbulence (which would also cause mixing) as a means of providing more thorough, uniform heat treatment of the egg product.

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